



CITY OF SANTA MARIA  
CITY ATTORNEY'S OFFICE

204 EAST COOK STREET • SANTA MARIA, CALIFORNIA 93454-5169 • (805) 925-0951, EXT. 2310 • FAX (805) 928-1275

October 24, 2023

State Water Resources Control Board  
Office of Chief Counsel  
Adrianna M. Crowl  
P.O. Box 100  
Sacramento, CA 95812-0100  
Via email and U.S. Mail

Re: Petition for Review by City of Santa Maria  
Order Number R3-2023-0070

Dear Ms. Crowl:

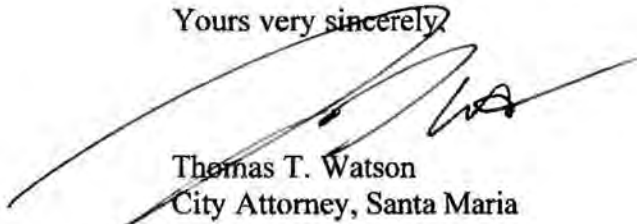
Enclosed please find the Petition for Review by the City of Santa Maria to the Order Number R3-2023-0070, issued by the California Regional Water Quality Control Board for the Central Coast Water Region on September 26, 2023.

This Petition requires the Board's urgent review and consideration. The Regional Board's determination that the City is a discharger is both erroneous and improper. The City's taxpayers have been damaged for over three decades by the failure of the Regional Board to use its enforcement processes on the responsible parties. To add insult to substantial financial injury, the Regional Board now contends to have the very taxpayers whose water wells and aquifer have been damaged pay for the cleanup. Further, the Regional Board has abjectly failed to perform its responsibilities for over thirty years and now seeks the City to perform prohibitively costly actions within 90 days.

This is a travesty and a tragedy. But the State Board can correct this by removing the City from the list of dischargers and enforcing the clean up order against those private entities truly responsible and who have or stand to profit from the cleanup.

Should you have any questions, please contact the undersigned.

Yours very sincerely,



Thomas T. Watson  
City Attorney, Santa Maria

1 THOMAS WATSON, CITY ATTORNEY  
STATE BAR NO. 144457  
2 CITY OF SANTA MARIA  
204 E. Cook Street  
3 Santa Maria, CA 93454  
(805) 925-0951, ext. 2312  
4 twatson@cityofsantamaria.org

5  
6 **STATE WATER RESOURCES CONTROL BOARD**  
7 **STATE OF CALIFORNIA**  
8  
9

10 In the Matter of,

11 THE CITY OF SANTA MARIA,  
12 Petitioner,

PETITION NO.

**PETITION FOR REVIEW**

13 For Review of Order No. R3-2023-0070  
14 Of the California Regional Water Quality  
Control Board, - Central Coast Water Region  
15

16  
17 Pursuant to California Water Code Section 13320 and Title 23 of the California Code  
18 Regulations 2050 et seq., Petitioner the City of Santa Maria ("the CITY") hereby petitions  
19 the State Water Resources Control Board ("State Board") for review of Order No. R3-2023-  
20 0070 ("Order") adopted by the California Regional Water Quality Control Board, Central  
21 Coast Region ("BOARD") on September 26, 2023, 36 years after the BOARD ordered the  
22 owners of the SEMCO site to clean up groundwater pollution. The Order establishes Site  
23 Cleanup Requirements for the SEMCO site in Santa Barbara County ("the Site"). The  
24 Order improperly names the CITY as a "discharger" with respect to certain areas of the  
25 Site. The CITY requests a hearing in this matter to have the State Board modify the Order  
26 and remove the CITY as a "discharger."

27 As an additional matter, the CITY joins and incorporates into its response by this  
28 reference the objections of the County of Santa Barbara ("COUNTY") and Santa Maria

1 Airport District ("DISTRICT") as set forth in their request for review. The CITY does not  
2 seek a stay of the Order at this time, it does reserve the right to protect the CITY's rights  
3 from any action or inaction which violates its rights or applicable law.

4 **PETITIONER**

5  
6 The name and address of Petitioner is:

7 The City of Santa Maria

8 Attn: Thomas Watson

9 204 E. Cook Street

10 Santa Maria, California 93454

11 Telephone: (805) 925-0951x2312

12 E-mail: twatson@cityofsantamaria.org

13 **ACTION OF THE REGIONAL BOARD TO BE REVIEWED**

14 The CITY requests that the State Board review Regional Board Order No. R3-2023-  
15 0070, which establishes Site Cleanup Requirements for the Site and improperly named the  
16 CITY as a "discharger" with respect to certain areas of the Site. A true and correct copy of  
17 the Order is attached as Exhibit A. Petitioner requests that the Order be modified to exclude  
18 the CITY from its requirements and not be named as a "discharger."

19  
20 **THE DATE ON WHICH THE BOARD ADOPTED THE ORDER**

21 The BOARD adopted the Order on September 26, 2023, and it was transmitted by the  
22 Executive Director by email on said date.

23  
24 **THE REASONS THE BOARD'S ADOPTION OF THE ORDER WAS IMPROPER**

25  
26 The BOARD's adoption of the Order was improper because there is no legal basis for  
27 the Order, the BOARD did not provide a sufficient factual basis for the Order, and the Order  
28

1 treats the CITY inconsistently and unfairly compared to other responsible parties, as set  
2 forth in more detail below.  
3

#### 4 **HOW PETITIONER IS AGGRIEVED**

5  
6 The CITY is aggrieved by the BOARD's improper Order because the Order lacks  
7 sufficient legal and factual basis, treats the CITY inconsistently and unfairly compared to  
8 other more responsible parties, and fails to consider the damages already suffered by the  
9 residents, ratepayers and taxpayers of the CITY.  
10

11 The CITY is aggrieved because the taxpayers of the CITY are being held responsible  
12 for investigation, cleanup and abatement of the Site at a tremendous cost and on a schedule  
13 that is substantially compressed in light of the failures of the BOARD to resolve the Site  
14 issues over the past 38 years. The Order fails to account for the abject failure of the  
15 BOARD, who has been aware of and overseeing this Site for 38 years, and particularly  
16 failing to hold the actively culpable parties (when there may have been insurance coverage  
17 to address this issue) in a timely manner.  
18  
19  
20

21 The Order requires that the CITY plan and perform work, which will be extremely  
22 burdensome and costly to the taxpayers of the CITY on an expedited basis. The Order is  
23 improper in constituting an unreasonable expense. The Order directs that the Petitioner is  
24 joint and severally liable for all cleanup costs, with other parties who did profit from the  
25 activities resulting in the groundwater intrusion of chemicals, for which liability is unjust  
26 and unfair.  
27  
28



1 **REQUESTED ACTION**

2  
3 The CITY requests the State Board find that the BOARD's order improperly names  
4 the CITY as a discharger and on that basis, either vacates the Order or amends the Order  
5 excluding the CITY from responsibility to clean up and remediate the Site. In the  
6 alternative, the CITY requests the State Board to direct the BOARD to rescind this Order  
7 and direct an Order to parties that are already the subject of a prior Cleanup and Abatement  
8 Order, specifically excluding the CITY from liability and responsibility.  
9  
10

11 **STATEMENT OF POINTS AND AUTHORITIES**

12 The CITY respectfully provides the following statement of points and authorities to  
13 support its requested action.  
14

15 **BACKGROUND:**

16 The CITY and COUNTY received ownership of the Santa Maria Airport (including  
17 the subject parcels) from the United States Government ("ARMY") in 1949, each with a  
18 one-half ownership interest. The COUNTY and CITY both quit claimed their respective  
19 interests in the property to the DISTRICT in 1964.

20 In 1984, the CITY notified the COUNTY that chemicals had been detected in its Well  
21 2AS, which had previously been utilized by the ARMY prior to 1949. In May of 1985, the  
22 CITY shut down Well 2AS. The COUNTY issued a notice of violation ("NOV") to  
23 SEMCO as a discharger in 1985. No notice of violation was issued to the CITY as a  
24 purported discharger. Other NOV's were issued and not one named the CITY as a  
25 discharger.

26 On September 25, 1987, the BOARD issued Cleanup and Abatement Order ("CAO")  
27 No. 87-188 ordering SEMCO to investigate and cleanup the degraded soil and  
28 groundwater beneath the Site. No CAO was issued to the CITY, COUNTY or DISTRICT

1 as alleged dischargers. The BOARD issued further CAOs to SEMCO and the property  
2 owner at the time (Stafford Trust, hereinafter "TRUST") in 1990, 1991 and 1994. No  
3 CAOs were issued to the CITY at any time prior to the issuance of the Order in September  
4 2023.

5 Pursuant to the multiple CAOs issued in the 1990s, the responsible parties, SEMCO  
6 and TRUST constructed a remediation system. In 1994, the Department of Toxic  
7 Substances Control (DTSC) was so concerned regarding the site that it issued an Imminent  
8 and Substantial Endangerment Determination and placed the Site on its Hazardous Waste  
9 and Substances Site List. The DTSC returned the site to the BOARD without further  
10 action by November of 1994. No allegation that the CITY was a discharger was issued by  
11 the DTSC.

12 From 1994-2000, the remediation system was operated. In 2003, the BOARD issued  
13 a Water Code section 13267 order (2003 Order) to the new owner of the site, who had  
14 discontinued the operation of the remediation system. The CITY was not named as a  
15 responsible party or discharger in the 2003 Order.

16 Twelve years later, in 2015, the BOARD issued a Water Code section 13267 order  
17 (2015 Order), despite no action of remediation being performed for all that time, and  
18 despite the 1994 Imminent and Substantial Endangerment determination. The 2015 Order  
19 does not allege the CITY was a discharger or was a responsible party.  
20

21 In September 2021, the Central Coast Water Board issued Administrative Civil  
22 Liability (ACL) Complaint No. R3-2021-0097 for violations of the 2015 Order, which  
23 resulted in the imposition of administrative civil liability. As a result of this complaint, a  
24 settlement was entered into with the discharger, CHRIS MATHYS (et al), for the ACL  
25 Complaint. The CITY was not named as a discharger in the complaint or settlement.

26 While the MATHYS Complaint was pending and settlement discussions were  
27 ongoing, the BOARD advised the CITY, COUNTY and DISTRICT that each is now (for  
28 the first time) potentially to be named a discharger and that their taxpayers are joint and

1 severally liable for all cleanup at the site. Discussions with BOARD staff to prevent the  
2 issuance of the Order were undertaken to no avail. The Order was then issued after written  
3 objections of the CITY, DISTRICT and COUNTY were overruled by the BOARD.

4 **ALLEGED LIABILITY BASIS IN ORDER:**

5 As stated in the Order, the alleged basis for liability of the CITY, COUNTY and  
6 DISTRICT is as follows:

7  
8 County of Santa Barbara, City of Santa Maria, and Santa Maria Public Airport  
9 District, are dischargers because they were aware of the activities that resulted in the  
10 discharges of waste and, as lessors of the Site, had the ability to control those  
11 discharges. (Order section C, paragraph 6).

12 The BOARD provides no documentation of such control or evidence that any  
13 discharge occurred between 1949 and 1964. There is no lease or other documentation in  
14 the record that provides support for the allegations. No showing that the CITY had "the  
15 ability to control those discharges" is in the record.

16 There is no evidence that between 1949 and 1964 any discharge of any chemical took  
17 place. The BOARD contends, in footnote 27, that a spill occurred in 1973, nine years after  
18 the CITY had relinquished ownership of the site. There is no evidence provided in the  
19 Order that at any time from 1949 to 1964 that any contaminant was leaked. The BOARD  
20 does acknowledge that the chemicals were utilized by SEMCO for 37 years after the CITY  
21 relinquished its ownership of the site.

22 In the record, the only documentation of the procurement of the subject chemicals is  
23 found in a submission from SEMCO on 3/31/88 that identifies TCE was received between  
24 1981 and 1987 (footnote 22). There is no documentation in the record that the subject  
25 chemicals were purchased or utilized by SEMCO on the site from 1949 to 1964. The  
26 BOARD states, without evidence, that "SEMCO used cutting oil (a petroleum  
27 hydrocarbon-based lubricant) in its operations and VOCs, such as TCE and 1,1,1-  
28

1 trichloroethane (TCA), as degreasers to clean tools and metal parts.” (Order section A  
2 paragraph 7a). The BOARD then implies that such chemicals were in use for the entire  
3 time of SEMCO’s operation.  
4

5 The equivocal language of “such as” does not provide an evidentiary basis to support  
6 the conclusion that TCE or TCA was even present on the Site while the CITY was an owner.  
7 There is no evidence in the Order or the record that supports the BOARD’s allegation of  
8 TCE/TCA use by SEMCO in the decades owned by the CITY.  
9

10 Even the investigation notes of interviews with SEMCO employees do not provide  
11 evidence that SEMCO used TCE or TCA during 1949-1964. The evidence from the  
12 SEMCO ownership continually denied any hazardous discharge and referred the BOARD,  
13 on numerous occasions, that the responsible party may have been the ARMY.  
14

15 When MATHYS obtained title to the site, the BOARD transmitted to MATHYS a  
16 cost recovery acknowledgement form (15 Nov. 2002). The BOARD did not determine  
17 whether the CITY was a discharger or responsible party at that time. No evidence of the  
18 timing of any discharge of contaminants is identified in the file after 1990 and none shows  
19 a date prior to 1981. MATHYS acknowledged responsibility and agreed to participate in  
20 the cleanup of the site. Thereafter, from 2002 to present, no remediation has taken place.  
21 Ultimately, MATHYS was fined for failure to comply with the 2015 Order in 2021.

#### 22 **LEGAL ANALYSIS:**

23 As stated above, there is no evidence to support the allegation that at some point from  
24 1949 to 1964, TCE was discharged from the SEMCO site in such amounts that the CITY’s  
25 Well 2AS was fully contaminated in 1985. There is no direct or circumstantial evidence to  
26 support the allegation of discharge while the CITY owned the Site. There is evidence to  
27 identify that the 1973 flushing of 6000 gallons of TCE could have been the potential cause,  
28



1 but that anecdotal information is not documented. (Footnote 22). It is also speculative  
2 that the ARMY may have discharged TCE and contaminated the site.

3 Notwithstanding the absolute failure to provide any evidence supporting the  
4 allegation, the BOARD contends that the CITY "was aware of the activities that resulted in  
5 the discharges of waste" by SEMCO between 1949 and 1964. If this fact is accurate, it  
6 begs the question of why, between 1985 and 2023, was the CITY not named in any  
7 enforcement action. None of the prior responsible parties or dischargers have named the  
8 CITY or contended that it was aware of activities that resulted in the discharge of waste.

9 In order to overcome this substantial evidentiary hurdle, the BOARD states in the  
10 Order that:

11  
12 A prior owner may be named in a cleanup and abatement order if it knew or should  
13 have known that a lessee's activity created a reasonable possibility of discharge into  
14 waters of the state of wastes that could create or threaten to create a condition of  
15 pollution or nuisance. (*United Artists Theatre Circuit, Inc. v. California Regional*  
16 *Water Quality Control Bd.* (2019) 42 Cal.App.5th 851, 887.) Landowners leasing to  
17 entities using degreasers (many of which used TCE), knew or should have known by  
18 the 1940s that there was a reasonable possibility of discharge of wastes that could  
19 create, or threaten to create, a condition of pollution or nuisance. (Order section C,  
20 paragraph 5).

21 While the BOARD cites the *United Artists Theatre Circuit, Inc. v. California*  
22 *Regional Water Quality Control Bd.* 42 Cal.App.5th 851 (2019) ("UATC"), it does not  
23 bolster the BOARD's position.

24 In a case determining whether a prior owner of property may be required to  
25 participate in the cleanup of wastes discharged from its property that resulted in  
26 groundwater contamination if that person "caused or permitted" the discharge. The court  
27 adopted the standard that:

28 a prior owner may be named in a section 13304 cleanup order upon a showing the  
owner knew or should have known that a lessee's activity created a reasonable  
possibility of a discharge into waters of the state of wastes that could create or  
threaten to create a condition of pollution or nuisance. (*UATC at 887.*)

1 The issue in this case is whether, in 1949 through 1964, the CITY as an owner knew  
2 that an industrial solvent in common use at the time was a waste that could create or  
3 threaten to create a condition of pollution or nuisance. Without that showing, the UATC  
4 does not support the BOARD to project liability onto the CITY. The court determined that  
5 evidence showed that during and after UATC owned the property in question, "dangers of  
6 solvents in general became gradually known." (*Id.* at 861).

7 Further, the court specifically rejected the BOARD's position (as it holds here of  
8 almost strict liability) that "a prior owner need only have knowledge of the general activity  
9 of the tenant that resulted in the discharge." (*Id.* At 864). Rather the court determined  
10 that:

11 In the section 13304 context, an owner cannot be said to permit a discharge simply  
12 by allowing a lessee to operate a certain type of business, absent knowledge or  
13 constructive knowledge that, in general, the business creates a reasonable possibility  
14 of discharge. (*Id.* At 880.)

15 In the context of the Order, the BOARD attempts to impose liability on the very basis  
16 that UATC rejected, namely that the CITY "was aware" of SEMCO's general business as a  
17 tool and die manufacturer and therefore is liable for cleanup. That is not the standard, and  
18 the Order is not supported by any evidence implicating the CITY.

19 In order to avoid this obvious conclusion, the BOARD states:

20 Landowners leasing to entities using degreasers (many of which used TCE),  
21 knew or should have known by the 1940s that there was a reasonable possibility  
22 of discharge of wastes that could create, or threaten to create, a condition of  
23 pollution or nuisance. (Order section C, paragraph 5).

24 There is no supporting evidence for the broad statement of culpability. This is what  
25 the UATC court rejected, stating:

26 The Regional Board's interpretation comes close to writing "permitted" out of the  
27 statute by imposing liability under a cleanup order absent any knowledge, actual or  
28 constructive, that a lessee's activity created a risk of discharge of wastes that could  
create or threaten to create a condition of pollution or nuisance. (*Id.* at 887.)

1       There is no specific showing that the CITY knew or should have known that the  
2       Leasee (SEMCO) was or had a reasonable possibility of discharging waste that would  
3       decades later be determined to be pollution or nuisance. The conclusion that a small  
4       agricultural town in California was familiar with the nuances of groundwater pollution and  
5       chemical exposure from 1949 to 1964 is a leap of the imagination, when common activities  
6       included the use of pit outhouses and the burning of household trash.

7       **NOTICE TO CENTRAL COAST REGIONAL BOARD**

8       A copy of This Petition has been simultaneously transmitted to the BOARD, other  
9       named parties in the Order and that the requirements of 23 California Code of Regulations  
10      Section 2050 have been met.

11      **EXHAUSTION OF ADMINISTRATIVE REMEDIES**

12      The substantive issues of this Petition were presented to the BOARD in response to  
13      the public review of the proposed Order. The BOARD rejected the CITY's objections and  
14      issued the Order. As a result, the CITY has exhausted its administrative remedies.

15      **CONCLUSION**

16      The CITY is not a discharger under the applicable law and therefore cannot be  
17      ordered to perform the tasks as outlined. With respect to the individual tasks, the time  
18      allowed by the BOARD is insufficient. Further, the failure to mitigate the contamination  
19      from 1985 to present must reduce any potential financial contribution or requirement of  
20      the CITY, as the dischargers failure to perform has likely resulted in a more substantial  
21      cost of remediation.  
22

23      //

24      //

25      //

26      //

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1 The CITY as the reporting party of this situation and the taxpayers who have been  
2 deprived of a working well since 1985 are the victims here and should not be punished  
3 twice. The CITY agrees with the BOARD that the contamination must be remediated as it  
4 was determined to be an Imminent and Substantial Endangerment hazard in 1994. The  
5 CITY is not the party to pay for the remediation.

6  
7 Dated: October 23, 2023

8 By: 

9 Thomas T. Waston  
10 City Attorney  
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## Central Coast Regional Water Quality Control Board

September 26, 2023

Rhine, L.P.  
Oro Financial of California, Inc.  
Concha Investments, Inc.  
Platino, LLC  
Chris Mathys, an individual  
c/o: Chris Mathys  
2304 West Shaw Avenue, Suite 102  
Fresno, CA 93711  
Email: mathys@orofinancial.net

**via Electronic and Certified Mail  
(Recipient signature required)  
No. 7022 3330 0002 1258 9942**

Curry Parkway, L.P.  
c/o Tom Miles  
2304 West Shaw Avenue, Suite 102  
Fresno, CA 93711

**via Certified Mail  
(Recipient signature required)  
No. 7022 3330 0002 1258 8181**

Fernando Figueroa Salas  
340 W. Donovan Road  
Santa Maria, CA 93458

**via Certified Mail  
(Recipient signature required)  
No. 7022 3330 0002 1258 8198**

Mark Powers, Inc.  
c/o Mark Powers  
4161 Lockford Street  
Santa Maria, CA 93455-3313

**via Certified Mail  
(Recipient signature required)  
No. 7022 3330 0002 1258 8204**

City of Santa Maria  
Clerk-Recorder  
c/o Rhonda M. White, Deputy City Clerk  
110 E. Cook Street  
Santa Maria, CA 93454

**via Certified Mail  
(Recipient signature required)  
No. 7022 3330 0002 1258 8211**

County of Santa Barbara  
Santa Barbara Clerk-Recorder  
c/o Joseph E. Holland, County Clerk  
1100 Anacapa Street  
Santa Barbara, CA 93101

**via Certified Mail  
(Recipient signature required)  
No. 7022 3330 0002 1258 8228**

JANE GRAY, CHAIR | MATTHEW T. KEELING, EXECUTIVE OFFICER

City of Santa Maria Public Airport District  
c/o Steve Brown, Director  
3217 Terminal Drive  
Santa Maria, CA 93455

via Certified Mail  
(Recipient signature required)  
No. 7022 3330 0002 1258 8235

Dear Dischargers:

**ENFORCEMENT PROGRAM: FORMER SEMCO TWIST DRILL & TOOL COMPANY, 2926, 2936, 2946, 2956, 2976, AND 2986 INDUSTRIAL PARKWAY, SANTA MARIA, SANTA BARBARA COUNTY – TRANSMITTAL OF CLEANUP AND ABATEMENT ORDER NO. R3-2023-0070, MONITORING AND REPORTING PROGRAM NO. R3-2023-0071, AND RESPONSE TO COMMENTS ON THE DRAFT CLEANUP AND ABATEMENT ORDER**

The California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) is the public agency with primary responsibility under the Porter-Cologne Water Quality Control Act (California Water Code §§13000 et seq.) for the protection of the quality of the waters of the state, including groundwater and surface water within the central coast of California. The above-referenced site is situated within the jurisdiction of the Central Coast Water Board. In accordance with the Central Coast Water Board's responsibilities for the protection of water quality and beneficial uses, enclosed is Cleanup and Abatement Order No. R3-2023-0070 (Order) issued to the County of Santa Barbara; the City of Santa Maria; the Santa Maria Public Airport District; SEMCO Twist Drill and Tool Company, Inc. (SEMCO); Oro Financial of California, Inc.; Concha Investments, Inc.; Chris Mathys, an individual; Platino, LLC; Rhine, LP; Fernando Figueroa Salas, an individual; Mark J Powers, Inc., and Curry Parkway, LP (collectively, "Dischargers").

The Order directs the Dischargers to investigate, monitor, and cleanup wastes and/or abate the effects of discharges of wastes including volatile organic compounds (VOCs), primarily trichloroethene (TCE), petroleum hydrocarbons, and 1,4-dioxane that have been discharged to soil and groundwater at 2926, 2936, 2946, 2956, 2976, and 2986 Industrial Parkway, Santa Maria, California (Site)<sup>1</sup>. The Order also includes Monitoring and Reporting Program No. R3-2023-0071. A complete copy of the Order is enclosed and also available on GeoTracker at:

[https://geotracker.waterboards.ca.gov/getfile?filename=/regulators%2Fdeliverable\\_documents%2F8245313346%2FSEMCO\\_CAO\\_final.pdf](https://geotracker.waterboards.ca.gov/getfile?filename=/regulators%2Fdeliverable_documents%2F8245313346%2FSEMCO_CAO_final.pdf)

A draft of this Order was publicly noticed from April 14, 2023 through May 29, 2023. The Central Coast Water Board received several comments. The comments and Enforcement staff responses to those comments is included on GeoTracker at:

[https://geotracker.waterboards.ca.gov/getfile?filename=/regulators%2Fdeliverable\\_documents%2F8245313346%2FPublicComment\\_Response\\_final\\_w\\_att1.pdf](https://geotracker.waterboards.ca.gov/getfile?filename=/regulators%2Fdeliverable_documents%2F8245313346%2FPublicComment_Response_final_w_att1.pdf)

<sup>1</sup> The Site is made up of six parcels, including APNs: 111-291-038, -037, -036, -035, -042, and -041 and all documentation for this case can be found on GeoTracker:  
<http://geotracker.waterboards.ca.gov/?gid=SLT3S2411351>

Central Coast Water Board Enforcement staff made changes to the proposed Order in response to the comments and those proposed changes are described in the response to comments document. Enclosed is the final Cleanup and Abatement Order and Monitoring and Reporting Program signed by the Executive Officer on September 26, 2023; and is hereby final and in effect.

Any person aggrieved by this action of the Central Coast Water Board may petition the State Water Resources Control Board (State Water Board) to review the action in accordance with Water Code Section 13320 and title 23, California Code of Regulations, section 2050 and following. The State Water Board must receive the petition by 5:00 p.m., 30 days after the date of this Order, except that if the thirtieth day following the date of this Order falls on a Saturday or Sunday, or state holiday, the petition must be received by the State Water Board by 5:00 p.m. on the next business day. Copies of the law and regulations applicable to filing petitions may be found on the internet at: [https://www.waterboards.ca.gov/public\\_notices/petitions/water\\_quality/](https://www.waterboards.ca.gov/public_notices/petitions/water_quality/) or will be provided upon request.

If you have any questions regarding this matter, please contact **Sarah Treadwell at (805) 549-3695** or [Sarah.Treadwell@waterboards.ca.gov](mailto:Sarah.Treadwell@waterboards.ca.gov) or **Sheila Soderberg at** [Sheila.Soderberg@waterboards.ca.gov](mailto:Sheila.Soderberg@waterboards.ca.gov).

Sincerely,

**Thea S. Tryon**

Digitally signed by Thea S. Tryon  
Date: 2023.09.26 09:54:45 -07'00'

Thea S. Tryon  
Assistant Executive Officer

Enclosure: Cleanup and Abatement Order R3-2023-0070 and Monitoring and Reporting Program No. R3-2023-0071

cc via electronic mail without attachments:

Maribel A. Aguilera (for Fernando Salas), Kirk & Simas, PLC, [maguilera@kirksimas.com](mailto:maguilera@kirksimas.com)  
Mark Powers, Mark J Powers, Inc., [powers-sons@sbcglobal.net](mailto:powers-sons@sbcglobal.net),  
[m.powers@servpro.com](mailto:m.powers@servpro.com)

**Central Coast Water Board:**

Matthew Keeling, [Matt.Keeling@waterboards.ca.gov](mailto:Matt.Keeling@waterboards.ca.gov)  
Ryan Lodge, [Ryan.Lodge@waterboards.ca.gov](mailto:Ryan.Lodge@waterboards.ca.gov)  
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Thea Tryon, [Thea.Tryon@waterboards.ca.gov](mailto:Thea.Tryon@waterboards.ca.gov)  
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Sarah Treadwell, [Sarah.Treadwell@waterboards.ca.gov](mailto:Sarah.Treadwell@waterboards.ca.gov)  
Kelsey DeLong, [Kelsey.Delong@waterboards.ca.gov](mailto:Kelsey.Delong@waterboards.ca.gov)

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# Exhibit A

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
CENTRAL COAST REGION  
895 AEROVISTA PLACE, SUITE 101  
SAN LUIS OBISPO, CALIFORNIA 93401-7906**

**CLEANUP AND ABATEMENT ORDER NO. R3-2023-0070**

**FORMER SEMCO TWIST DRILL AND TOOL COMPANY, INC. ET AL.  
INDUSTRIAL PARKWAY, SANTA MARIA  
SANTA BARBARA COUNTY**

This Cleanup and Abatement Order No. R3-2023-0070 (Order) is issued to County of Santa Barbara; City of Santa Maria; Santa Maria Public Airport District; SEMCO Twist Drill and Tool Company, Inc. (SEMCO);<sup>1</sup> Oro Financial of California, Inc.;<sup>2</sup> Concha Investments, Inc.;<sup>3</sup> Chris Mathys, an individual; Platino, LLC;<sup>4</sup> Rhine, LP;<sup>5</sup> Fernando Figueroa Salas, an individual; Mark J Powers, Inc., and Curry Parkway, LP<sup>6</sup> (collectively, "Dischargers") and is based on provisions of California Water Code (Water Code) sections 13304 and 13267, which authorize the California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) to issue this Order and require the submittal of technical and monitoring reports.

The Central Coast Water Board finds that:

**A. BACKGROUND AND PURPOSE OF THE ORDER<sup>7</sup>**

1. This Order addresses trichloroethylene (TCE) and associated volatile organic compounds (VOCs),<sup>8</sup> petroleum hydrocarbons, and 1,4-dioxane discharged to soil, soil gas, and groundwater in the vicinity of 2936 Industrial Parkway and surrounding parcels in Santa Maria, California (Site) (Exhibit 1, Figure 1) by requiring the

<sup>1</sup> SEMCO was formed by the Stafford family and Henry A. Stafford served as a director.

<sup>2</sup> Chris Mathys serves as the Chief Executive Officer and Chief Financial Officer.

<sup>3</sup> Chris Mathys served as the Chief Executive Officer and Chief Financial Officer.

<sup>4</sup> Chris Mathys was the sole manager of Platino, LLC.

<sup>5</sup> Platino, Inc. is the general partner of Rhine, LP. Chris Mathys is the Chief Executive Officer, Chief Financial Officer, Director, and sole shareholder of Platino, Inc.

<sup>6</sup> Platino, Inc. is the general partner of Curry Parkway, LP. Chris Mathys is the Chief Executive Officer, Chief Financial Officer, Director, and sole shareholder of Platino, Inc.

<sup>7</sup> The sources of the evidence summarized in this Order include, but are not limited to, reports and other documentation in Central Coast Water Board files, including meeting and telephone call documentation; email communication with dischargers, their attorneys, and consultants; and documented inspections of the Site. All files for this case are on the State Water Resources Control Board's (State Water Board) GeoTracker website: <http://geotracker.waterboards.ca.gov/?qid=SLT3S2411351>

<sup>8</sup> VOCs detected in groundwater, soil, and/or soil gas beneath the Site are chlorinated solvents used as degreasers for tools and metal parts. These chlorinated VOCs include tetrachloroethylene (PCE), trichloroethylene (TCE), 1,1,1-trichloroethane (TCA), cis-1,2-dichloroethene (cis-1,2-DCE), 1,1-dichloroethene (1,1-DCE), 1,2-dichloroethane (1,2-DCA), and 1,1-dichloroethane (1,1-DCA).

Dischargers named in this Order to investigate and clean up the wastes or abate the effects of the wastes.

2. **Location:** The Site is located east of the Santa Maria Public Airport and west of the Santa Maria Country Club, in an area of high-density commercial and industrial land uses within the City of Santa Maria in Santa Barbara County. Moderate-density residential land use is located east of the Country Club. Residences and businesses in the vicinity of the Site rely on the City of Santa Maria's public water system for drinking water. The Site is located within an SB535-listed disadvantaged community.
3. The Site is currently comprised of six parcels,<sup>9</sup> which were originally a portion of a single parcel.<sup>10</sup> The original single parcel (approximately 9.9 acres) was divided into two parcels<sup>11</sup> on February 3, 1994, and subdivided again into nine parcels<sup>12</sup> on April 26, 2007. The nine parcels are identified in Exhibit 1, Figure 2 and Exhibit 1, Table 1.<sup>13</sup> Former Site operations occurred on parcel 111-291-037 (2936 Industrial Parkway) and resulted in discharges of wastes that may have occurred as separate and/or commingled discharges resulting in impacts to all six parcels<sup>14</sup> that compose the Site, and these wastes are discharging or threatening to discharge from the Site onto neighboring properties.
4. The 7.31-acre Site was once part of a much larger property (approximately 3,085-acres) formerly known as the Santa Maria Army Airfield.<sup>15</sup> The U.S. government owned the Santa Maria Army Airfield from 1942-1949. The airfield was used to train military pilots during World War II. In 1942, approximately 100 buildings were constructed including barracks, officer quarters, aircraft maintenance facilities, warehouses, aircraft hangers, and other support buildings (e.g., administrative buildings, theater, chapel, etc.). As described in the U.S. Army Corps of Engineers' (USACE) 2021 Action Management Plan, and as described in other documents available in the GeoTracker file for the Santa Maria Army Airfield, there were over 200 underground storage tanks (USTs) originally constructed and installed at the approximately 3,085-acre airfield. Many of the 250-gallon, 500-gallon, and 1,500-gallon USTs stored heating oil used to heat buildings. There were also twenty USTs, greater than 10,000 gallons, that stored gasoline and/or lubrication oil on the former airfield property, but not in the vicinity of the Site. A majority of the USTs and pipelines were removed or closed in place in the 1980s and 1990s. The Site is located on the northern, central portion of the former Santa Maria Army Airfield, as shown on the Santa Maria Army Airfield Basic Layout Plan and Building Schedule

<sup>9</sup> The Site includes six parcels identified as Santa Barbara County Assessor Parcel Numbers (APNs) 111-291-035, 111-291-036, 111-291-037, 111-291-038, 111-291-041, and 111-291-042.

<sup>10</sup> Santa Barbara County Assessor Parcel Number (APN) 111-291-008.

<sup>11</sup> Santa Barbara County APNs 111-291-027 and 111-291-028.

<sup>12</sup> Santa Barbara County APNs 111-291-035 through 111-291-043.

<sup>13</sup> Exhibits 1-5 are attachments to this Order and are incorporated into this Order by reference.

<sup>14</sup> The six parcels subject to this Order are highlighted in Exhibit 1, Figure 2 and identified in Exhibit 1, Table 1.

<sup>15</sup> More information about the Santa Maria Army Airfield and the documents referenced in these findings are available at: <http://geotracker.waterboards.ca.gov/?qid=T0608345324>



dated July 1945.<sup>16</sup> Between 1942 and 1949, the former Santa Maria Army Airfield buildings, primarily used as living quarters for military personnel, located on the Site included: a sales commissary, a pump house for well 2AS, three warehouses, two barracks, and a day room. Additionally, records indicate two USTs<sup>17</sup> were located in the northern portion of the Site and were not associated with areas where TCE and VOC use was expected or documented by the USACE (such as the airport hangers motor or sheet metal repair shops, etc.). Also, the locations of the aforementioned former USTs do not correlate with the Site's source area location, where the highest concentrations of TCE and petroleum hydrocarbons have been reported in soil, soil gas, or groundwater.

5. **Site Description and Activities:** The Site contains approximately three large industrial metal buildings and is zoned for commercial or industrial use. Current Site tenants include Santa Maria BBQ Outfitters (2936 Industrial Parkway, Santa Maria), who use the property for warehousing products and metal fabrication,<sup>18</sup> and Hans Duus Blacksmith (2976 Industrial Parkway, Santa Maria) who uses the property for welding and metal working.<sup>19</sup>
6. **Operational and Ownership History:** The historical Site operations, ownership, and associated APNs are summarized in detail in Exhibit 2. In brief, ownership and operational history is as follows:

| Approximate Period         | Name  | Type           |
|----------------------------|---|----------------|
| 1949-2001                  | SEMCO   | Operator       |
| 1949-1964                  | County of Santa Barbara                             | Property Owner |
| 1949-1964                  | City of Santa Maria                                 | Property Owner |
| 1964-1968                  | Santa Maria Public Airport District                 | Property Owner |
| 1968-1975                  | Henry A. Stafford and Rhea L. Stafford              | Property Owner |
| 1975 - 2002                | Henry A. Stafford and Rhea Stafford Revocable Trust | Property Owner |
| August 2002 – October 2002 | Oro Financial of California, Inc.                   | Property Owner |
| 2002 - 2006                | Concha Investments, Inc.                            | Property Owner |

<sup>16</sup> The Santa Maria Army Airfield Basic Layout Plan and Building Schedule dated July 1945 is available on GeoTracker: <https://geotracker.waterboards.ca.gov/?url=yg2dk>

<sup>17</sup> One 1,500-gallon fuel oil UST, identified as T1242, was located beneath the Site in an area that is now a parking lot north of the former Semco building. There are no records indicating UST T1242 was removed or closed in place. As documented in Santa Barbara County's file, there are records that USACE removed one UST at the Site, identified as T1273, on December 17, 1990. UST T1273 was allegedly located on a concrete slab north of a warehouse identified as Building T1273 (Building T1273 is included on the Basic Layout Plan dated 1945). However, UST T1273 is not shown on the 1945 Basic Layout Plan.

<sup>18</sup> Santa Maria BBQ Outfitters produces hand-welded Santa Maria style BBQs (<https://www.santamariagrills.com>) and are tenants on APN 111-291-037.

<sup>19</sup> Hans Duus Blacksmith produces forged ornamental iron products (<https://www.hansduusblacksmith.com/>) and are tenants on APN 111-291-041.

| Approximate Period | Name                    | Type   |
|--------------------|-------------------------|--|
| 2006 - 2009        | Chris Mathys            | Property Owner                                   |
| 2009 - 2010        | Platino, LLC            | Property Owner                                   |
| 2010 - Current     | Rhine, LP               | Property Owner<br>(APN 111-291-037)              |
| 2010 - Current     | Curry Parkway, LP       | Property Owner<br>(APNs 111-291-036, -041, -042) |
| 2019 - Current     | Fernando Figueroa Salas | Property Owner<br>(APN 111-291-038)              |
| 2021 - Current     | Mark J Powers, Inc.     | Property Owner<br>(APN 111-291-035)              |

## 7. Chemical Usage:

- a. SEMCO operated a precision tool manufacturing business at the Site producing precision drilling bits and related cutting tools on or around July 1949, to approximately 2001. SEMCO used cutting oil (a petroleum hydrocarbon-based lubricant) in its operations and VOCs, such as TCE and 1,1,1-trichloroethane (TCA), as degreasers to clean tools and metal parts.<sup>20</sup>
- b. SEMCO stored VOCs in aboveground storage tanks (ASTs) east of the SEMCO shop building. Additionally, cutting oil was stored in an onsite underground sump.<sup>21</sup>
- c. SEMCO utilized TCE until approximately 1985<sup>22</sup> and TCA until approximately 1987, as degreasers for tools and metal parts. SEMCO's operations generated waste products containing these substances during that time. SEMCO stored VOC sludge in 55-gallon drums and maintained parts-cleaning tanks behind its main building. Sampling conducted in this area confirmed elevated concentrations of VOCs and petroleum hydrocarbons in soil and groundwater, indicating wastes were discharged behind the SEMCO facility.<sup>23</sup>

8. **Waste Discharges and Site Investigation:** In May 1985, the Santa Barbara County Health Department notified the Central Coast Water Board that TCE had been detected in soil adjacent to the City of Santa Maria's municipal supply well 2AS (Well

<sup>20</sup> See March 31, 1988, submittal of purchase orders, invoices, and receipts for SEMCO Twist Drill and Tool Company, Inc.

<sup>21</sup> See Exhibit 1, Figure 3 – Historical Facility Site Map. The historical SEMCO facility was on the current APN 111-291-037 of the Site.

<sup>22</sup> Central Coast Water Board Staff Report dated October 13, 1989, on GeoTracker: <https://geotracker.waterboards.ca.gov/?url=tuqaz>. SEMCO submittal of purchase orders, invoices, and receipts related to TCE, on GeoTracker: <https://geotracker.waterboards.ca.gov/?url=dw8h9>.

<sup>23</sup> See Exhibit 1, Figures 3, 5, 6, and 7 for source area investigation results.

2AS). Well 2AS is located adjacent to the former SEMCO shop building, specifically on parcel 111-291-035, toward the southeastern corner of the Site, on an easement.<sup>24</sup> TCE was also detected in well 2AS at 10 micrograms per liter (µg/L) in November 1984, 4 µg/L in February 1985, and 9.4 µg/L in April 1985. After the State Department of Health Services (now the State Water Board Division of Drinking Water) determined that the levels of TCE were above drinking water standards of 5 µg/L, the City of Santa Maria shut down well 2AS on May 10, 1985.

9. On August 26, 1985, Santa Barbara County Health Care Services<sup>25</sup> issued a notice of violation (NOV) to SEMCO for the discharge of hazardous waste containing TCE and a requirement to investigate the vertical and lateral extent of the contamination. SEMCO performed a site investigation in January 1986, drilling three soil borings in the vicinity of supply well 2AS; TCE was not detected in any of the soil samples collected. However, in July 1987, Central Coast Water Board staff observed discolored (stained) soil south of SEMCO's ASTs containing VOCs. Because the staining was indicative of a surface spill, Central Coast Water Board staff collected samples for analyses and reported concentrations of TCE in soil up to 140 parts per billion (ppb) at that location.
10. On September 25, 1987, the Central Coast Water Board issued Cleanup and Abatement Order (CAO) No. 87-188 ordering SEMCO to investigate and cleanup the degraded soil and groundwater beneath the Site. CAO No. 89-070 was issued to SEMCO on March 1, 1989, and CAO No. 90-88 was issued to SEMCO on May 11, 1990, and amended on September 13, 1991 (issued to SEMCO). CAO No. 90-88 was amended again on March 11, 1994, to include the property owner, the Henry A. and Rhea Stafford Revocable Trust, and Trustee Rhea Stafford as dischargers.
11. Site investigations conducted from 1987 to 2003, and from 2021 to 2022, indicated that soil, soil gas, and groundwater are degraded with VOCs, petroleum hydrocarbons<sup>26</sup>, and 1,4-dioxane from discharges of waste at the Site. In 1990, maximum concentrations of TCE were reported up to 430,000 µg/L in groundwater (86,000 times greater than the maximum concentration level for TCE).
12. **Source Area:** For the purposes of this Order, the source area is defined as VOCs, petroleum hydrocarbon, and 1,4-dioxane impacted soil, soil gas, and groundwater beneath the historic AST pads located east of the former SEMCO shop building and the below-ground cutting oil sump located beneath the former SEMCO shop building.<sup>27</sup> Concentrations of VOCs, petroleum hydrocarbons, and 1,4-dioxane in

<sup>24</sup> The location of Well 2AS is illustrated in Exhibit 1, Figure 3.

<sup>25</sup> Santa Barbara County Health Care Services is now Santa Barbara County Environmental Health Services

<sup>26</sup> Discharger's consultants collected soil gas, soil, and groundwater samples in multiple locations at the Site. No petroleum hydrocarbons were detected in soil gas, soil, or groundwater samples collected in the vicinity of the former 1,500-gallon UST that stored fuel oil on the small portion of the former Santa Maria Airfield property.

<sup>27</sup> In 1973, a fire occurred at the SEMCO facility, which set off a sprinkler system that flushed approximately 6,000 gallons of cutting oils from a sump inside the building located at APN No. 111-291-037. See the July 9, 1993, Meeting Minutes at: <https://geotracker.waterboards.ca.gov/?surl=rvyqa>

soil, soil gas, and groundwater are the highest in this area at the Site.<sup>28</sup> The historic AST pads and below-ground cutting oil sump were located on the current APN 111-291-037 of the Site.<sup>29</sup>

13. **Soil:** The extent and severity of VOCs and petroleum hydrocarbon wastes in soil beneath the Site, in the source area and locations adjacent to the source area, were investigated from 1987 through 1991, and in 2021 through 2022. A general summary of the results from these investigations are as follows:

a. 1987-1991 Site Investigation:

- i. Shallow soil (2 to 11 feet below ground surface [bgs]) contained up to 7,400 milligrams per kilogram (mg/kg)<sup>30</sup> TCE, 0.48 mg/kg PCE, and 16,000 mg/kg of petroleum hydrocarbons.<sup>31</sup>
- ii. Deep soil (45 to 45.5 feet bgs) contained up to 430 mg/kg TCE and 66 mg/kg of cis-1,2-DCE.<sup>32</sup>

b. 2021-2022 Site Investigation:

- i. Shallow and deep soil (5 to 50 feet bgs) beneath the Site contained up to 97 mg/kg TCE and 6 mg/kg of cis-1,2-DCE. 1,4-dioxane was also detected in one sample at 0.049 mg/kg.<sup>33</sup> See Exhibit 1, Figures 5 and 6 for soil investigation site map and cross section.

14. **Groundwater:** The extent and severity of groundwater degradation by VOCs, petroleum hydrocarbon, and 1,4-dioxane wastes were investigated from 1987 through 1991, from 1994 to 2001 during groundwater treatment operations, in 2003 during groundwater treatment operations and limited groundwater monitoring, and in a limited scope groundwater investigation implemented in 2021.

a. 1987-1991 Groundwater Investigation:

- i. Shallow groundwater (5 to 24 feet bgs) contained up to 430,000 µg/L TCE, 200 µg/L TCA, and 43,000 µg/L cis-1,2-DCE.
- ii. Deeper groundwater (180 to 200 feet bgs) contained up to 24 µg/L TCE, 3 µg/L TCA, and 3 µg/L cis-1,2-DCE.

b. 2003 Groundwater Monitoring:

- i. Shallow groundwater (9 to 34 feet bgs) contained up to 300 µg/L TCE, 58 µg/L 1,1-DCA, 69 µg/L 1,4-dioxane, and 290 µg/L TPH. Light non-aqueous phase liquid (product) was identified in shallow groundwater monitoring well MW-2, floating on groundwater at 0.31 feet thick.

<sup>28</sup> See Exhibit 1, Figures 3, 5, 6, and 7.

<sup>29</sup> See Exhibit 1, Figure 3 for locations of AST pads and cutting oil sump.

<sup>30</sup> Reported in the January 1989 Westec Services, Inc *Subsurface Investigation*:  
<https://geotracker.waterboards.ca.gov/?surl=00bks>

<sup>31</sup> Reported in the June 1, 1990, ERCE *Investigation of Cutting Oil Degraded Soil*:  
<https://geotracker.waterboards.ca.gov/?surl=ss645>

<sup>32</sup> Reported in the March 8, 1990, ERCE *Supplementary Subsurface Investigation*:  
<https://geotracker.waterboards.ca.gov/?surl=m0t8g>

<sup>33</sup> Reported in the May 25, 2022, *Vadose Zone Soil Sampling Report*:  
<https://geotracker.waterboards.ca.gov/?surl=vf00c>



- ii. Deeper groundwater contained up to 1,200 µg/L TCE, 97 µg/L cis-1,2-DCE, 5 µg/L 1,4-dioxane, and 230 µg/L TPH.
  - c. 2021 – 2022 Limited Scope Shallow Groundwater Investigation:
    - i. Shallow groundwater (40 to 50 feet bgs) contained up to 350,000 µg/L TCE, 30,000 µg/L cis-1,2-DCE, and 670,000 µg/L TPH gasoline in a 2022 grab groundwater sample, which is located in the vicinity of the source area.<sup>34</sup>
- 15. **Soil Gas:** The extent and severity of soil gas degradation by VOCs and petroleum hydrocarbon wastes were investigated in 1989 and 2021.
  - a. September 1989:
    - i. TCE was detected in shallow soil gas north of the AST pad up to 5,300,000 micrograms per cubic meter (µg/m<sup>3</sup>), where wastes in both groundwater and soil have been detected during previous investigations, and as far as 500 feet to the southeast of the main SEMCO building.
  - b. April 2021:
    - i. TCE was detected in shallow soil gas up to 11,000,000 µg/m<sup>3</sup>, PCE up to 13,000 µg/m<sup>3</sup>, and cis-1,2-DCE up to 4,000,000 µg/m<sup>3</sup>.
    - ii. The distribution of soil gas impacts overlies the source area where elevated concentrations of TCE have been identified in soil and groundwater.
- 16. **Indoor Air:** The extent and severity of indoor air degradation by VOCs and petroleum hydrocarbon wastes were investigated in 2021 and 2022. During both investigations, indoor air sampling was conducted at the Site, inside the former SEMCO facility building (currently occupied by Santa Maria BBQ Outfitters) and inside a small storage building northeast of the former SEMCO building. Indoor and outdoor air samples were collected over a 12-hour period during both sampling events.
  - a. March 2021:
    - i. TCE was reported up to 0.39 µg/m<sup>3</sup> in the storage building, below San Francisco Bay Regional Water Quality Control Board Environmental Screening Levels (ESLs)<sup>35</sup> for commercial operations. Carbon tetrachloride, chloroform, and 1,2-DCA were also detected but were reported below commercial ESLs.
    - ii. Detections of TCE and TCA were also reported in one outdoor air sample but were below commercial ESLs.
  - b. January 2022:
    - i. TCE was reported up to 1.1 µg/m<sup>3</sup> in both the storage building and the production area of the former SEMCO facility.
    - ii. TCE was also reported up to 4.1 µg/m<sup>3</sup> in an outdoor sample located east of the former SEMCO building.

<sup>34</sup> See Exhibit 1: Figure 4 – Groundwater Monitoring Well Location Site Map.

<sup>35</sup> Information on ESLs is available at:

[https://www.waterboards.ca.gov/sanfranciscobay/water\\_issues/programs/esl.html](https://www.waterboards.ca.gov/sanfranciscobay/water_issues/programs/esl.html)

- iii. Concentrations of PCE, chloroform, and 1,2-DCA were also detected but were reported below commercial ESLs.

17. The concentrations of VOCs, petroleum hydrocarbons, and 1,4-dioxane documented in Section A, Findings 13, 14, 15, and 16 of this Order exceed water quality objectives, specifically California maximum contaminant levels (MCLs)<sup>36</sup> for VOCs, which are incorporated by reference into the *Water Quality Control Plan for the Central Coastal Basin* (Basin Plan),<sup>37</sup> and ESLs. In addition, concentrations of petroleum hydrocarbons and 1,4-dioxane exceed ESLs, and concentrations of 1,4-dioxane exceed State Water Board drinking water notification levels. Increasing trends in groundwater waste concentrations suggest that polluted soils known to exist in shallow and deeper water-bearing zones are continuing to discharge wastes to groundwater, creating and/or threatening to create a condition of pollution or nuisance.
18. **Geology and Hydrogeology:** The Site overlies the Santa Maria River Valley groundwater basin (Department of Water Resources Bulletin 118 Basin No. 3-012.0112), which generally consists of unconsolidated gravel, sand, silt, and clay in undifferentiated alluvial, river channel, and dune sand deposits. Groundwater is found in at least two distinct saturated zones: a perched water-bearing zone (shallow water-bearing zone) approximately 40-50 feet bgs and 150-200 feet in lateral extent, and a deeper, regional water-bearing zone (deep water-bearing zone) approximately 180-250 feet bgs. Everest Services, Inc. reported site-specific groundwater data in a February 24, 2004, monitoring report,<sup>38</sup> and reported measured groundwater flow beneath the Site to the south to southeast in the shallow zone and south to southwest in the deep zone. Monitoring wells were completed in both zones; however, the groundwater monitoring well network is currently incomplete and in disrepair and needs to be evaluated and restored to determine current hydrogeologic conditions.
19. **Source Elimination and Remediation Status:**
- a. SEMCO and the Henry A. Stafford and Rhea Stafford Revocable Trust installed a groundwater extraction and treatment system to dewater and treat the pollutants in the shallow water-bearing zone. The treated water from the treatment system was originally designed to be discharged to the municipal storm drain in accordance with a Central Coast Water Board discharge permit. The groundwater extraction and treatment system operated for only one week before the carbon filter became saturated with pollutants, and the system needed to be shut down. Groundwater treatment system operations ceased due to financial constraints.

<sup>36</sup> Information on MCLs is available at:

[https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/MCLsandPHGs.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/MCLsandPHGs.html)

<sup>37</sup> The Basin Plan is available at:

[https://www.waterboards.ca.gov/centralcoast/publications\\_forms/publications/basin\\_plan/](https://www.waterboards.ca.gov/centralcoast/publications_forms/publications/basin_plan/)

<sup>38</sup> 2003 Third Quarter Monitoring Report for SEMCO, dated February 24, 2004, on GeoTracker: <https://geotracker.waterboards.ca.gov/?url=ntubt>.

- b. On June 13, 1994, the Department of Toxic Substances Control (DTSC) issued an Imminent and Substantial Endangerment Determination and placed the Site on its Hazardous Waste and Substances Site List (Cortese List). DTSC became the lead agency for remediation at the Site and contracted with a third-party consultant to redesign and repair the groundwater extraction and treatment system and bring it back into operation. The redesigned and repaired groundwater and extraction treatment system started operating on November 9, 1994. In December 1994, DTSC terminated their oversight of the Site's groundwater extraction and treatment system and referred the case back to the Central Coast Water Board.<sup>39</sup>
- c. Operation of the Site's groundwater extraction and treatment system continued from 1994 through June 2000.<sup>40</sup> TCE was removed from groundwater by extracting polluted groundwater from the subsurface, passing it through granular activated carbon (GAC) canisters, and reinjecting treated groundwater back into the subsurface. Approximately 146,000 gallons of groundwater was extracted and treated from 1994 through 2000.<sup>41</sup>

**20. Regulatory Status:** A complete summary of regulatory actions regarding the Site is provided in attached Exhibit 5. The following brief summary provides a high-level overview of regulatory actions, in part, against former operators and/or owners of the Site since 1985:

- a. The Central Coast Water Board issued several CAOs between 1987 and 1994.<sup>42</sup> In 1994, DTSC issued an Imminent and Substantial Endangerment Determination (see Section A, Finding 19.b) and began temporarily funding the groundwater extraction and treatment system.
- b. In December 2000, the Central Coast Water Board issued a letter<sup>43</sup> requesting Henry A. Stafford continue operation of the groundwater extraction and treatment system, but ownership of the Site changed shortly thereafter (see Section A, Finding 19.c and Exhibit 2).
- c. In 2001, under new ownership,<sup>44</sup> all Site investigation and remediation efforts stopped, with the exception of one groundwater monitoring event performed in 2003 as summarized in a report submitted in 2004.<sup>45</sup>

<sup>39</sup> December 6, 1994, DTSC Site referral to Central Coast Water Board letter on GeoTracker:

<https://geotracker.waterboards.ca.gov/?surl=5zpbm>

<sup>40</sup> DTSC's Envirostor database for the Site is available at:

[https://www.envirostor.dtsc.ca.gov/public/profile\\_report?global\\_id=42340010](https://www.envirostor.dtsc.ca.gov/public/profile_report?global_id=42340010)

<sup>41</sup> According to Tetra Tech, Inc.'s November 1, 2001 *Letter Report on the Status of the SEMCO Groundwater Treatment System* on GeoTracker: <https://geotracker.waterboards.ca.gov/?surl=m02e8>

<sup>42</sup> A complete list of CAOs and other orders the Central Coast Water Board issued to SEMCO and the Henry A. Stafford and Rhea Stafford Revocable Trust, from 1987 to 1994, is available on GeoTracker.

<sup>43</sup> December 1, 2000, letter from the Central Coast Water Board on GeoTracker:

<https://geotracker.waterboards.ca.gov/?surl=7weqj>

<sup>44</sup> Property ownership details are included in Exhibit 2 of this Order.

<sup>45</sup> 2003 Third Quarter Monitoring Report on GeoTracker:

<https://geotracker.waterboards.ca.gov/?surl=ntubt>

- d. On July 18, 2003, the Central Coast Water Board issued a Water Code section 13267 order (2003 Order) requiring the submittal of a groundwater monitoring report.
- e. From 2003 through 2014, Central Coast Water Board staff made numerous email and verbal inquiries<sup>46</sup> on project status.
- f. On October 20, 2015, the Central Coast Water Board issued a Water Code section 13267 order (2015 Order) requiring submittal of a workplan proposing additional investigations to evaluate the current extent of wastes discharged to soil, soil gas, and groundwater.
- g. On September 14, 2021, the Central Coast Water Board issued Administrative Civil Liability (ACL) Complaint No. R3-2021-0097 for violations of the 2015, which resulted in the imposition of administrative civil liability (see ACL Order No. R3-2022-0013).
- h. On July 28, 2022, the Central Coast Water Board again issued a Water Code section 13267 Order (2022 Order) related to investigations at the Site. To date, the 2022 Order has not been complied with.

## B. LAW AND REGULATORY CONSIDERATIONS

### 1. Water Code section 13304, subdivision (a), provides that:

*A person who has discharged or discharges waste into the waters of this state in violation of any waste discharge requirement or other order or prohibition issued by a regional board or the state board, or who has caused or permitted, causes or permits, or threatens to cause or permit any waste to be discharged or deposited where it is, or probably will be, discharged into the waters of the state and creates, or threatens to create, a condition of pollution or nuisance, shall upon order of the regional board, clean up the waste or abate the effects of the waste, or, in the case of threatened pollution or nuisance, take other necessary remedial action, including, but not limited to, overseeing cleanup and abatement efforts. A cleanup and abatement order issued by the state board or a regional board may require the provision of, or payment for, uninterrupted replacement water service, which may include wellhead treatment, to each affected public water supplier or private well owner. Upon failure of a person to comply with the cleanup or abatement order, the Attorney General, at the request of the board, shall petition the superior court for that county for the issuance of an injunction requiring the person to comply with the order. In the suit, the court shall have jurisdiction to grant a prohibitory or mandatory injunction, either preliminary or permanent, as the facts may warrant.*

### 2. Water Code section 13304, subdivision (c)(1), provides that:

*[P]erson or persons who discharged the waste, discharges the waste, or threatened to cause or permit the discharge of the waste within the meaning of subdivision (a), are liable to that governmental agency to the extent of the*

<sup>46</sup> See October 21, 2010, Central Coast Water Board email on GeoTracker: <https://geotracker.waterboards.ca.gov/?url=9hxdq>; see also January 6, 2014, Case Status Summary on GeoTracker: <https://geotracker.waterboards.ca.gov/?url=3f5ex>



*reasonable costs actually incurred in cleaning up the waste, abating the effects of the waste, supervising cleanup or abatement activities, or taking other remedial action. The amount of the costs is recoverable in a civil action by, and paid to, the governmental agency and the state board to the extent of the latter's contribution to the cleanup costs from the State Water Pollution Cleanup and Abatement Account or other available funds.*

3. **Water Code section 13050 provides, in part, the following definitions:**
- (d) *"Waste" includes sewage and any and all other waste substances, liquid, solid, gaseous, or radioactive, associated with human habitation, or of human or animal origin, or from any producing, manufacturing, or processing operation, including waste placed within containers of whatever nature prior to, and for purposes of, disposal.*
  - (k) *"Contamination" means an impairment of the quality of the waters of the state by waste to a degree which creates a hazard to the public health through poisoning or through the spread of disease.*
  - (l)(1) *"Pollution" means an alteration of water quality by waste to a degree that unreasonably affects either of the following:*
    - (A) *The waters for beneficial uses.*
    - (B) *Facilities which serve these beneficial uses.*
  - (2) *"Pollution" may include "contamination."*
  - (m) *"Nuisance" means anything which meets all of the following requirements:*
    - (1) *Is injurious to health, or is indecent or offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property.*
    - (2) *Affects at the same time an entire community or neighborhood, or any considerable number of persons...*
    - (3) *Occurs during, or as a result of, the treatment or disposal of wastes.*
4. The threat of vapor intrusion into buildings at and near the Site creates, or threatens to create, a condition of nuisance as defined in Water Code section 13050, subdivision (m). In particular, vapor intrusion is injurious to health. Breathing vapor-forming chemicals can affect a person's health. Health effects depend on the chemical, concentration, and duration of the exposure. High concentrations, even for a short time, can be harmful. Symptoms include headache, nausea, and shortness of breath. Breathing air with vapor-forming chemicals for extended periods can cause other health effects, including cancer and damage to liver, kidney, and other organs. For example, exposure to TCE during the first three months of pregnancy is of concern because of potential harm to the developing embryo or fetus. Vapor intrusion poses a potential threat to current and future tenants, and other persons who may frequent the site. Vapor intrusion occurs as a result of improper disposal of VOCs at the Site. Moreover, offsite and onsite soil gas concentrations exceed ESL residential screening levels for TCE and PCE of 16  $\mu\text{g}/\text{m}^3$  and 15  $\mu\text{g}/\text{m}^3$ . ESLs are conservative risk-based calculations of pollutants and are used to distinguish which properties pose a significant threat to human health and those that pose



no threat. If a contaminant concentration is below a residential screening level, no further action or vapor intrusion studies are needed, and human health is protected. As long as the waste remains in the subsurface the risk for vapor intrusion continues to exist which poses a threat to human health.

5. Discharges of wastes (VOCs, 1,4-dioxane, and petroleum hydrocarbon) to soil and groundwater beneath the Site creates, or threatens to create, a condition of pollution as defined in the Water Code section 13050, subdivision (I). Historic investigations by former property owners and operators confirmed elevated concentrations of wastes in soil and groundwater. There are exceedances of water quality objectives in groundwater that negatively impact beneficial uses,<sup>47</sup> and the release of wastes beneath the Site is suspected to be the cause of the permanent shutdown of City of Santa Maria municipal supply well 2AS on May 10, 1985. Waste concentrations reported in the latest investigation reports (2021-2022) indicate an existing threat to public health and water quality. Wastes remain in soil, soil gas, and groundwater beneath the Site and are likely migrating offsite onto adjacent properties. The maximum TCE groundwater concentration reported in the 2022 Site Investigation Report (350,000 µg/L) is five orders of magnitude above the MCL of 5.0 µg/L for TCE. Additionally, based on the maximum concentration of TCE detected, it is likely that dense non-aqueous phase liquids are present in shallow groundwater. In 2003, the petroleum hydrocarbons in groundwater were reported as a light non-aqueous phase liquid observed floating on groundwater at 0.31 feet thick. In 2022, total petroleum hydrocarbons (TPH) were reported up to 670,000 µg/L, exceeding commercial and residential ESLs by three orders of magnitude. As set forth in Section B, Finding 8, the concentrations of VOCs (PCE, TCE, TCA, cis-1,2-DCE, 1,2-DCA, and 1,1-DCE) in groundwater at and/or downgradient of the Site exceed the water quality objectives applicable for the given pollutants. The concentrations of 1,4-dioxane exceed the State Water Board's drinking water notification level of 1 µg/L.<sup>48</sup> The exceedances of applicable narrative or numeric water quality objectives in the Basin Plan constitute pollution as defined in Water Code section 13050, subdivision (I)(1).

6. **Water Code section 13267, subdivision (b)(1), provides that:**

*In conducting an investigation . . . , the regional board may require that any person who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge waste within its region, . . . shall furnish, under penalty of perjury, technical or monitoring program reports which the regional board requires. The burden, including costs, of these reports shall bear a reasonable relationship to the need for the report and the benefits to be obtained from the reports. In requiring those reports, the regional board shall provide the*

<sup>47</sup> Beneficial Uses unreasonably affected by elevated concentrations of wastes in soil, soil gas, and groundwater beneath this Site are listed in Section B, Finding 14 of this Order.

<sup>48</sup> State Water Board drinking water notification level for 1,4-dioxane  
[https://www.waterboards.ca.gov/qama/docs/coc\\_1\\_4\\_dioxane.pdf](https://www.waterboards.ca.gov/qama/docs/coc_1_4_dioxane.pdf)

*person with a written explanation with regard to the need for the reports, and shall identify the evidence that supports requiring that person to provide the reports.*

7. This Order requires investigation and submittal of work plans and reports as well as ongoing monitoring and other tasks required pursuant to Water Code section 13267. The burden, including costs, of these reports bears a reasonable relationship to the need for the reports and the benefits to be obtained from the reports. Specifically, the reports are needed to adequately delineate the extent and amount of waste discharged, investigate the threat of continuing discharge and to facilitate compliance with implementing cleanup and abatement activities required by this Order, and ultimately, restoring water quality and protecting beneficial uses. The record contains extensive evidence of the benefits to be obtained, including protecting an entire community from TCE, which is classified by the Environmental Protection Agency (EPA) as a likely carcinogen to humans. Public health threats are not only in the form of impacts to drinking water supplies (which may be treated at the wellhead), but also include the potential for TCE vapors to volatilize up from the water table, potentially impacting the indoor air of residences and businesses overlying the groundwater plume. TCE vapors are odorless and, thus, not typically noticed, meaning that a person may inhale vapors for years without having any indication. The benefits to be obtained from the requirements for investigation include ensuring the protection of human health of local residents whose businesses and homes overlie the plume.
8. Additional benefits to be obtained include protection of the community's drinking water from threatened impacts that could occur in the future. Municipal supply wells have been impaired (TCE concentration detected above the MCL), impacted (TCE concentration detected below the MCL), or threatened (TCE has not been detected above the reporting limit but may become impacted or impaired in the future due to TCE plume migration) by the TCE plume.
9. Based upon Central Coast Water Board staff's experience with similar investigations, the approximate cost of the actions required pursuant to Water Code section 13267 is \$560,000 to 650,000. The burden, including costs of these reports bears a reasonable relationship to the need for the reports and the benefits to be obtained, as detailed in the above findings. The technical reports required by this Order are necessary to assure compliance with Water Code section 13304 and State Water Board Resolution No. 92-49, including to adequately investigate the extent and persistence of discharges, and intrinsic to cleanup of the Site to protect the beneficial uses of waters of the state, to protect against nuisance, and to protect human health and the environment.
10. **State Water Board Resolution 68-16:** The State Water Board adopted its *Statement of Policy with Respect to Maintaining High Quality of Water in California*, Resolution 68-16, on October 28, 1968 (Antidegradation Policy). The Antidegradation Policy states, in part:

- a. *Whenever the existing quality of water is better than the quality established in policies as of the date on which such policies become effective, such existing high quality will be maintained until it has been demonstrated to the State that any change will be consistent with maximum benefit to the people of the State, will not unreasonably affect present and anticipated beneficial use of such water and will not result in water quality less than that prescribed in the policies.*
  - b. *Any activity which produces or may produce a waste or increased volume or concentration of waste and which discharges or proposes to discharge to existing high quality waters will be required to meet waste discharge requirements which will result in the best practicable treatment or control of the discharge necessary to assure that (a) a pollution or nuisance will not occur and (b) the highest water quality consistent with maximum benefit to the people of the State will be maintained.*
11. **State Water Board Resolution No. 92-49:** The State Water Board adopted Resolution No. 92-49, *Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under Water Code Section 13304*. Resolution No. 92-49 sets forth the policies and procedures to be used during an investigation and cleanup of a polluted site and requires that cleanup levels be consistent with the Antidegradation Policy. Resolution No. 92-49 and the Basin Plan establish the cleanup levels to be achieved. Resolution No. 92-49 requires the waste(s) to be cleaned up to background or, if that is not reasonable, to an alternative level that is the most stringent level that is economically and technologically feasible in accordance with California Code of Regulations, title 23, section 2550.4. Any cleanup level alternative to background must: (1) be consistent with the maximum benefit to the people of the state, (2) not unreasonably affect present and anticipated beneficial use of such water, and (3) not result in water quality less than that prescribed in the Basin Plan and applicable water quality control plans and policies of the State Water Board.
12. **Central Coast Water Board Resolution No. 2017-0004:** California Water Code section 106.3, subdivision (a) states that it is the policy of the State of California "that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitation purposes." On January 26, 2017, the Central Coast Water Board adopted Resolution No. R3-2017-0004, which affirms the realization of the human right to water and the protection of human health as the Central Coast Water Board's top priorities.
13. **Public Participation:** The Central Coast Water Board may require the Dischargers to submit a public participation plan or engage in other activities to disseminate information and gather community input regarding the Site, as authorized or required by Water Code sections 13307.1, 13307.5, and 13307.6.
14. **Water Quality Control Plan for the Central Coastal Basin (Basin Plan):** The Basin Plan identifies beneficial uses and establishes water quality objectives to

protect those uses. The Site overlies groundwater within the Santa Maria River Valley Groundwater Basin, Department of Water Resources Bulletin 118 Basin Subbasin No. 3-012.0112. The designated beneficial uses of groundwater beneath the site are municipal supply (MUN), industrial (IND), and agricultural supply (AGR). The water quality objectives that protect these beneficial uses include the following:

- a. The median groundwater objectives for the Santa Maria sub-basin area where the Site is located are as follows: total dissolved solids (TDS) 1,000 milligrams per liter (mg/L); chlorine (Cl) 90 mg/L; sulfate (SO<sub>4</sub>) 510 mg/L; boron (B) 0.2 mg/L; sodium (Na) 105 mg/L; and nitrogen (as N) 8 mg/L.<sup>49</sup>
- b. Groundwaters shall not contain taste or odor producing substances in concentrations that adversely affect beneficial uses.<sup>50</sup>
- c. Radionuclides shall not be present in concentrations that are deleterious to human, plant, animal, or aquatic life; or result in the accumulation of radionuclides in the food web to an extent which presents a hazard to human, plant, animal, or aquatic life.<sup>51</sup>
- d. Water quality objectives to protect the beneficial use of MUN that apply to the groundwater at the Site include "Organic Chemicals," which incorporates by reference state MCLs set forth in title 22 of the California Code of Regulations. The MCL for TCE and PCE is 5 µg/L, TCA is 2,000 µg/L, cis-1,2-DCE is 6 µg/L, 1,1-DCE is 6 µg/L, 1,2-DCA is 5 µg/L, and 1,1-DCA is 5 µg/L.<sup>52</sup>

**15. California Environmental Quality Act (CEQA):** This Order is an enforcement action that is being taken for the protection of the environment and is exempt from the provisions of CEQA (Public Resources Code section 21000, et seq.) in accordance with California Code of Regulations, title 14, sections 15307 and 15308. The issuance of this Order is also an enforcement action taken by a regulatory agency and is exempt from the provisions of the CEQA (Public Resources Code, section 21000, et seq.), pursuant to California Code of Regulations, title 14, section 15321, subdivision (a)(2).

This Order generally requires the Dischargers to submit plans that include a proposed scope of work and schedule. After the Executive Officer concurs with the scope of work and schedule, the Dischargers are expected to implement the work and cleanup activities at the Site. Mere submittal of plans is exempt from CEQA as submittals will not cause a direct or indirect physical change in the environment and/or is an activity that cannot possibly have a significant effect on the environment. CEQA review at this time would be premature and speculative, as there is simply not enough information concerning the Dischargers' proposed remedial activities and possible associated environmental impacts.

<sup>49</sup> Median Water Quality Objectives: Basin Plan, Table 3-6, page 41.

<sup>50</sup> Tastes and Odors: Basin Plan, page 34.

<sup>51</sup> Radioactivity: Basin Plan, page 34.

<sup>52</sup> Exceedances of water quality objectives are discussed in detail in Section B, Finding 5 of this Order.



### C. DISCHARGERS

1. Relevant facts and evidence indicate that the Dischargers are appropriately named in this Order because the Dischargers have caused or permitted, cause or permit, or threaten to cause or permit waste to be discharged into waters of the state, and create, or threaten to create, a condition of pollution or nuisance. In addition to the impacts and continued threat to groundwater, the wastes pose a potential human health threat to occupants of buildings on and near the Site through direct contact exposure to wastes in soil, groundwater, or soil gas.
2. VOCs, petroleum hydrocarbons, and 1,4-dioxane discharged at the Site constitute wastes as defined in Water Code section 13050, subdivision (d).
3. Decades of Central Coast Water Board staff experience with industries that use, store, and transfer chemicals such as petroleum products and chlorinated solvents (e.g., total petroleum hydrocarbons, VOCs, etc.), provide evidence that spills or small amounts of spilled chemicals discharged during routine operations, seep through concrete and other intended containment, leading to the type of contamination found at the Site. The State Water Board and the nine Regional Water Quality Control Boards are currently overseeing numerous cleanup operations resulting from improper and inadequate handling of hazardous materials. Standard chemical handling practices often result in adverse environmental impacts, like the ones observed at the Site, to occur. Central Coast Water Board files contain extensive evidence of publicly available information concerning the knowledge of the use of chlorinated solvents (including TCE) resulting in discharges and contamination of water supplies during the relevant timeframe. These factors and the facts alleged herein, taken as a whole, lead to the conclusion that the Dischargers have discharged chemicals of concern which must be cleaned up and abated to protect the environment and human health.<sup>53</sup>

#### Former Site Operator

4. **SEMCO** is a discharger because its operations, including the use and storage of petroleum products and products containing chlorinated solvents (including TCE and other VOCs) at the Site, caused or permitted waste to be discharged or deposited where it has discharged to waters of the state and has created, and continues to threaten to create, a condition of pollution or nuisance.

#### Former Site Owners and Lessors to SEMCO

<sup>53</sup> State Board Order WQ 86-16 (*Stinnes-Western*) supports the use of evidence of chemical use, standard chemical handling practices, and detections of that chemical in the environment as reasonable bases supporting a cleanup and abatement order. "As we noted earlier, given the very low action levels for these chemicals, today we are concerned with any discharge." (*Ibid.* at n. 4.)



5. A prior owner may be named in a cleanup and abatement order if it knew or should have known that a lessee's activity created a reasonable possibility of discharge into waters of the state of wastes that could create or threaten to create a condition of pollution or nuisance. (*United Artists Theatre Circuit, Inc. v. California Regional Water Quality Control Bd.* (2019) 42 Cal.App.5th 851, 887.) Landowners leasing to entities using degreasers (many of which used TCE), knew or should have known by the 1940s that there was a reasonable possibility of discharge of wastes that could create, or threaten to create, a condition of pollution or nuisance.
6. **County of Santa Barbara, City of Santa Maria, and Santa Maria Public Airport District**, are dischargers because they were aware of the activities that resulted in the discharges of waste and, as lessors of the Site, had the ability to control those discharges.

#### **Former Site Owners Following Cease of SEMCO Operations**

7. **Oro Financial of California, Inc.; Concha Investments, Inc.; Chris Mathys, and; Platino, LLC** are dischargers because they were former property owners during a timeframe when discharges occurred,<sup>54</sup> knew or should have known that activities on the Site created a reasonable possibility of discharge into waters of the state of wastes that could create, or threaten to create, a condition of pollution or nuisance, and had the ability to control those discharges.
8. Chris Mathys controls<sup>55</sup> Oro Financial of California, Inc.; Concha Investments, Inc. and, Platino, LLC, as well as two of the three current Site owners. Chris Mathys' knowledge of the discharges and condition of pollution or nuisance is imputed to those entities.
9. By the time Oro Financial of California, Inc. acquired ownership of the Site, the discharges of waste and condition of pollution or nuisance at the Site were well documented as evidenced by the multiple regulatory orders in place. Oro Financial of California, Inc., thus, should have known of the discharges of waste and condition of pollution or nuisance.

<sup>54</sup> *Tesoro Refining & Marketing Company LLC v. Los Angeles Regional Water Quality Control Board*, 42 Cal.App.5th 453, 457 (2019), held "the term 'discharge' must be read to include not only the initial occurrence [of a discharge], but also the passive migration of the contamination into the soil." The Court affirmatively cited State Board precedent: "State Board held that a continuous and ongoing movement of contamination from a source through the soil and into the groundwater is a discharge to waters of the state and subject to regulation." (*Ibid.*, citing State Water Board Order WQ 86-2 (*Zoecon Corp.*), WQ74-13 (*Atchison, Topeka, et al.*), and WQ 89-8 (*Spitzer*) "[D]ischarge continues as long as pollutants are being emitted at the site". See also State Water Board Order WQ 89-1 (*Schmidt*).) Under California law, courts have historically held, and modern courts maintain, that possessors of land may be liable for a nuisance on that land even if the possessor did not create the nuisance. (See *Leslie Salt Co. v. San Francisco Bay Conservation and Dev. Comm'n* (1984) 153 Cal.App.3d 605, 619-620).

<sup>55</sup> See footnotes 2-6, Section A, Finding 6, and Exhibit 2.

10. In November 2002, Mr. Mathys, on behalf of Oro Financial of California, Inc., submitted a signed Acknowledgement of Willingness to Participate in Cleanup or Abatement Cost Recovery Program form. Thus, Concha Investments, Inc.; Chris Mathys, and; Platino, LLC had actual knowledge of Site conditions prior to acquiring the Site.<sup>56</sup>

#### **Current Site Owners**

11. **Rhine, LP; Curry Parkway, LP; Fernando Figueroa Salas; and Mark J Powers, Inc.** are dischargers because, as the current owners of the property, they have caused or permitted waste to be discharged or deposited where it has discharged to waters of the state and have created, and continue to threaten to create, a condition of pollution or nuisance. As the current owners, they have the legal ability to control the discharge of wastes.
12. The Central Coast Water Board will consider whether additional dischargers caused or permitted the discharge of waste at the Site, and whether additional dischargers should be added to this Order. The Central Coast Water Board may amend this Order or issue a separate order or orders in the future as more information becomes available. The Central Coast Water Board is issuing this Order to avoid further delay of Site investigation and remediation, which only becomes more costly with the passage of time.
13. As discussed in this Order, the Central Coast Water Board issued previous orders to parties legally responsible for environmental investigation and cleanup at the Site. The previous orders required those parties to submit technical and monitoring reports and prepare a cleanup plan schedule. The obligations contained in this Order supersede and replace those contained in prior orders. However, the prior orders remain in effect for enforcement purposes; the Central Coast Water Board and the State Water Board may take enforcement actions, including, but not limited to, imposing administrative civil liability against dischargers that have not complied with directives contained in previously issued orders.

#### **E. OTHER CONSIDERATIONS**

1. The Central Coast Water Board has notified the Dischargers and interested agencies and persons of its intent to issue this Order pursuant to Water Code sections 13304 and 13267. The Central Coast Water Board has made every reasonable attempt to notify these individuals and has provided them with an opportunity to submit written comments. A draft of this Order was sent to

<sup>56</sup> In addition to the Acknowledgement of Willingness to Participate in Cleanup or Abatement Cost Recovery Program form, actual knowledge on the part of these dischargers is evidenced by the 2003 Order, issued to Oro Financial of California, Inc., the subsequent NOV, and the ongoing discussions with Chris Mathys regarding the need for remediation, discussed in Finding A.20.

interested persons on April 14, 2023. The Central Coast Water Board accepted public comments on the draft Order for at least 45 days.

2. Pursuant to Water Code section 13304, the Central Coast Water Board may seek reimbursement for all reasonable costs to oversee cleanup of wastes, abatement of the effects thereof, and other remedial action.
3. Dischargers have joint and several liability, and this Order does not apportion the degree of responsibility among Dischargers; however, the Dischargers are free to apportion responsibility and costs among themselves. If the Central Coast Water Board obtains additional information to identify additional dischargers, the Executive Officer may amend this Order or issue additional cleanup and abatement and investigation orders.
4. This Order does not prevent other parties or persons affected by VOCs, petroleum hydrocarbons, 1,4-dioxane or other wastes from taking an independent action. Water Code section 13002, subdivision (e), states that actions by the Central Coast Water Board such as this Order place no limits "[o]n the right of any person to maintain at any time any appropriate action for relief against any private nuisance as defined in the Civil Code or for relief against any contamination or pollution."
5. Any person aggrieved by this action of the Central Coast Water Board may petition the State Water Board to review the action in accordance with Water Code section 13320 and California Code of Regulations, title 23, sections 2050 and following. The State Water Board must receive the petition by 5:00 p.m., 30 days after the date of this Order, except that if the thirtieth day following the date of this Order falls on a Saturday, Sunday, or state holiday, the petition must be received by the State Water Board by 5:00 p.m. on the next business day. Copies of the law and regulations applicable to filing petitions will be provided upon request or may be found on the Internet.  
Copies of the law and regulations applicable to filing petitions:  
[https://www.waterboards.ca.gov/public\\_notices/petitions/water\\_quality/](https://www.waterboards.ca.gov/public_notices/petitions/water_quality/)

#### **F. REQUIRED ACTIONS**

**THEREFORE, IT IS HEREBY ORDERED**, pursuant to Water Code sections 13304 and 13267, that the Dischargers, their agents, and successors or assigns must investigate, clean up, and abate the effects of the wastes discharged and discharging at and from the Site.

The Dischargers must complete the following required actions no later than the deadline(s) identified for each required action as set forth in the attached Time Schedule (Exhibit 4):

1. **Evaluate Condition of and Restore the Existing Groundwater Monitoring Network and Evaluate the Condition of the Onsite Groundwater Extraction and Treatment System:** Based on information in the Central Coast Water Board files, the groundwater monitoring network consists of 20 wells: 16 wells in the shallow water-bearing zone (MW1 through MW16) and four wells in the deep water-bearing zone (DMW1 through DMW-4). In addition, there was an onsite groundwater extraction and treatment system. Although recent Site investigations have included some evaluation of the existing monitoring well network and treatment system, the evaluation is not complete. The Dischargers are required to submit a workplan that includes a scope of work to identify, assess the integrity, and a proposal for restoring and replacing the onsite groundwater monitoring network. The Dischargers are also required to submit a workplan that includes a scope of work to assess the current condition of the onsite groundwater extraction and treatment system including the condition of groundwater extraction wells (EW-1 through EW-5)<sup>57</sup> and determine if the system is operable. The workplans can be submitted separately or in one workplan. The scope of work must, at a minimum, adequately address the following elements:
  - a. Identify and locate all 20 groundwater monitoring wells and evaluate the integrity of each well and determine if each well can (or cannot) be used for groundwater monitoring.<sup>58</sup>
  - b. Identify and determine whether any of the onsite groundwater extraction and treatment system infrastructure remaining at the Site is operable (i.e., extraction wells, injection wells, filtration system) and provide a recommendation for either the proper disassembly and destruction of the system (i.e., proper destruction of the groundwater extraction wells, removal of infrastructure, etc.) or reconditioning of the system to make it operable.
  - c. Upon Executive Officer concurrence of the scope of work and schedule included in the workplan or workplans, the Dischargers must implement the scope of work included in the workplan in accordance with the Time Schedule in Exhibit 4.
  - d. After completion of the work, the Dischargers must submit a completion report summarizing the condition of the monitoring well network and groundwater treatment system infrastructure. The completion report must also include a monitoring well network restoration workplan for the reconditioning of existing accessible and functional wells that will be used to laterally and vertically delineate current impacts to groundwater, destruction of any existing wells that cannot be restored, and a proposal for the installation of any new wells necessary to replace wells recommended for destruction or for existing wells that cannot be located,

<sup>57</sup> Extraction well locations and permits can be reviewed on GeoTracker:

<https://geotracker.waterboards.ca.gov/?surl=btq2b>

<sup>58</sup> In June of 2021, Analytical Consulting Group (ACG), on behalf of Oro Financial of California, Rhine LP, and Chris Mathys, investigated known and suspected well locations and reported that four of the sixteen shallow zone monitoring wells could not be located and two of the four deep water bearing zone monitoring wells could not be found.



- and/or additional new wells that need to be installed in new locations to laterally and vertically delineate current impacts to groundwater.
- e. Upon Executive Officer concurrence of the scope of work and schedule included in the monitoring well network restoration workplan, the Dischargers must implement the scope of work in accordance with the Time Schedule in Exhibit 4.
  - f. After completion of the work, the Dischargers must submit a completion report summarizing the implementation of the restoration of existing accessible groundwater monitoring wells, destruction of existing wells that cannot be restored (in accordance with county permitting requirements), and installation of replacement wells (in accordance with county permitting requirements). The completion report must include well completion logs, an updated map showing the exact locations of the wells (all wells must be surveyed by a licensed land surveyor), well permits for the installation of replacement wells, and waste disposal records/manifests if wells are destroyed. The Dischargers are also required to update the location of the wells in the GeoTracker database. The report must be submitted in accordance with the Time Schedule in Exhibit 4.
2. **Conduct Groundwater Monitoring:** Comply with Monitoring and Reporting Program (MRP) Order No. R3-2023-0071 (Exhibit 3), including any modifications or revisions the Central Coast Water Board Executive Officer makes to MRP Order No. R3-2023-0071.
3. **Complete Onsite and Offsite Investigation:** The Dischargers are required to submit a workplan to investigate the extent of all wastes in soil, soil gas, and groundwater onsite and offsite. At a minimum, the onsite and offsite investigation workplan must include the following elements:
- a. Scope of work and schedule for delineating the lateral and vertical extent of wastes in soil. The scope of work must include, at a minimum:
    - i. Method and procedures for delineating wastes in soil. Specify the United States Environmental Protection Agency (USEPA) or other analytical methods to analyze soil for VOCs, petroleum hydrocarbons, semi-volatile organic compounds, and total metals.
  - b. Scope of work and schedule for delineating the lateral and vertical extent of wastes in groundwater (both onsite and offsite). The scope of work must include, at a minimum:
    - i. Installation of monitoring wells in the shallow and deep water-bearing zones (onsite) in addition to the existing restored groundwater monitoring network, if necessary, to adequately delineate the lateral and vertical extent of wastes in groundwater.
    - ii. Installation of additional monitoring wells in the deep water-bearing zone (approximately 220-250 feet bgs) downgradient of the Site (offsite). Identify which borings will be continuously cored or otherwise logged to evaluate Site lithology and determine the depth of first encountered shallow groundwater.



- iii. Sampling method and procedures for collecting groundwater samples from existing, restored, and/or new groundwater monitoring wells.
- iv. Specify the USEPA or other analytical methods and quality control quality assurance procedures to analyze groundwater for VOCs, petroleum hydrocarbons, semi-volatile organic compounds, and dissolved and total metals.
- c. Scope of work and schedule to collect additional soil gas samples to evaluate potential vapor intrusion risk from VOCs and petroleum hydrocarbons within and underneath the current buildings on the Site. The scope of work must include:
  - i. Identify where soil gas probes or other soil gas sampling locations will be located to properly delineate and monitor soil gas exceedances.
  - ii. Identify USEPA or other analytical methods to analyze soil gas for VOCs and petroleum hydrocarbons.
  - iii. Perform soil gas sampling in accordance with Department of Toxic Substances Control (DTSC) soil gas investigation guidance: Vapor Intrusion | Department of Toxic Substances Control (ca.gov)
- d. Upon Executive Officer concurrence of the scope of work and schedule included in the onsite and offsite investigation workplan(s), the Dischargers must implement the scope of work in accordance with the Time Schedule in Exhibit 4.
- e. After completion of the work, the Dischargers must submit a site investigation report. The site investigation report must include a summary of the investigation findings and include, at a minimum, the following:
  - i. A site conceptual model that includes a written presentation with graphic illustrations of discharge scenarios; geology and hydrogeology; waste fate and transport in soil, soil vapor, indoor air, and groundwater; distribution of wastes; exposure pathways; sensitive receptors; and other relevant information.
  - ii. Site location maps showing soil borings, groundwater monitoring wells, and soil gas sampling locations.
  - iii. Cross sections of sampling locations depicting Site geology and hydrogeology.
  - iv. Maps showing the distribution of wastes found in soil, soil gas, indoor air, and groundwater.
  - v. Description of soil, soil gas, and groundwater sampling results and potential exposure pathways.
  - vi. Boring logs from all sampling locations.
  - vii. Certified analytical laboratory results with chain of custody information.
  - viii. Identification of data gaps where further investigation is necessary onsite and/or offsite.
- f. If information presented in the Site Investigation Report identifies data gaps, Dischargers must submit additional workplans to address data gaps.

Completion of the onsite and offsite investigation may be conducted in a phased approach and may require multiple workplans and submittal of multiple investigation reports.

4. **Conduct Onsite and Offsite Remedial Actions:** Submit a Feasibility Study and Remedial Action Plan (RAP) to clean up wastes in soil, soil gas, and groundwater. The RAP must abate the effects of the waste discharges in all media posing a risk to human health and impairing groundwater beneficial uses, and reduce concentrations of wastes in soil, soil gas, and groundwater to background concentrations or, if that is not feasible, to an alternative level that is the most stringent level that is economically and technologically feasible in accordance with California Code of Regulations, title 23, section 2550.4 and Resolution No. 92-49.<sup>59</sup> The timeline for these submittals is provided in Exhibit 4. Specifically, the Dischargers must:
- a. Submit a Feasibility Study that evaluates alternatives for cleanup of VOCs, petroleum hydrocarbons, and 1,4-dioxane wastes in soil, soil gas, and groundwater at and near the Site. The Feasibility Study must consider the following:
    - i. Evaluation of several remedial alternatives that will be protective of current and future land uses for commercial and residential property.
    - ii. Identification of cleanup objectives, and an estimated time to reach the cleanup objectives.
    - iii. Estimation of relative total costs of the alternatives, and justification for the selected alternative over the others.
    - iv. If applicable, include a proposal of actions to prevent the off-site migration of VOCs, petroleum hydrocarbons, and 1,4-dioxane onto neighboring properties.
  - b. Submit a RAP for cleanup of wastes in soil, soil gas, and groundwater on and off the Site in accordance with the Time Schedule in Exhibit 4. The RAP must include the following:
    - i. Define the overall goal/objective of the cleanup technology selected and time estimate to reach cleanup objectives.
    - ii. Include an updated conceptual site model, detailed design plans, list of permits needed, and RAP implementation schedule.
    - iii. Include a performance monitoring plan for soil, soil gas, and groundwater to track remediation progress.
  - c. Upon Executive Officer concurrence of the scope of work and schedule included in the RAP, the Dischargers must implement the scope of work in accordance with the Time Schedule in Exhibit 4.

<sup>59</sup> Any cleanup level alternative to background must: (1) be consistent with the maximum benefit to the people of the state, (2) not unreasonably affect present and anticipated beneficial use of such water, and (3) not result in water quality less than that prescribed in the Basin Plan and applicable water quality control plans and policies of the State Water Board.

- d. Submit quarterly remediation progress reports that document all remediation performance data and recommendations for any changes, if needed.
  - e. Revisions to the RAP or additional RAPs may be needed if the implemented remedial measure does not achieve cleanup goals. The Dischargers may propose to conduct cleanup in a phased approach.
- 5. **Site Access:** The Central Coast Water Board's authorized representatives must be allowed:
  - a. Entry upon premises where a regulated facility or activity is located or conducted, or where records are stored, under the conditions of this Order.
  - b. Access to copy any records that are stored under the conditions of this Order.
  - c. Access to inspect any facility, equipment (including monitoring and control equipment), practices, or operations regulated or required under this Order.
  - d. The right to photograph, sample, and monitor the Site for the purpose of ensuring compliance with this Order, or as otherwise authorized by the Water Code.
- 6. **Contractor/Consultant Qualification:** As required by Business and Professions Code sections 6735, 7835, and 7835.1, all reports must be prepared by, or under the supervision of, a California licensed professional engineer or geologist and signed by the licensed professional. All technical reports submitted by the Dischargers must include a statement signed by the authorized representative certifying under penalty of law that the representative has examined and is familiar with the report and that to their knowledge, the report is true, complete, and accurate. All technical documents must be signed by and stamped with the seal of the above-mentioned qualified professionals that reflects a license expiration date.
- 7. This Order is not intended to permit or allow the Dischargers to cease any work required by any other Order issued by the Central Coast Water Board, nor shall it be used as a reason to stop or redirect any investigation, cleanup, or remediation programs ordered by the Central Coast Water Board or any other agency. Furthermore, this Order does not exempt the Dischargers from compliance with any other laws, regulations, or ordinances which may be applicable.
- 8. The Dischargers must submit a 30-day notice to the Central Coast Water Board of any planned changes in name, ownership, or control of the Site and must provide a 30-day advance notice of any planned physical changes to the Site that may affect compliance with this Order. In the event of a change in ownership, the Dischargers also must provide a 30-day advance notice, by letter, to the succeeding owner of the existence of this Order and must submit a copy of this advance notice to the Central Coast Water Board.

9. Destruction and/or installation of any groundwater wells must be permitted by Santa Barbara County Environmental Health Services as the permitting entity and reported to the Central Coast Water Board at least 30 days in advance of the work. Any groundwater wells removed must be replaced within a reasonable time at a location the Central Coast Water Board concurs with. With written justification, the Central Coast Water Board may concur with the destruction of groundwater wells without replacement. When a well is removed, all work must be completed in accordance with California Department of Water Resources Bulletin 74-90, "California Well Standards," Monitoring Well Standards Chapter, Part III, Sections 16-19, and local requirements.
10. **Due Date Amendments:** In the event compliance cannot be achieved within the terms of this Order, the Dischargers may request, in writing, an extension of the time specified for good cause. The extension request must include an explanation why the specified date could not or will not be met and justification for the requested period of extension. Any extension request must be submitted as soon as the need for an extension is recognized and no later than 10 business days before the compliance date. Extension requests not without concurrence, in writing, by the Executive Officer with reference to this Order are denied.
11. Reference herein to determinations and considerations to be made by the Central Coast Water Board regarding the terms of the Order may be made by the Executive Officer or the Executive Officer's designee. Decisions and directives made by the Executive Officer regarding this Order pursuant to the Central Coast Water Board's delegation(s) are considered actions of the Central Coast Water Board.
12. The Central Coast Water Board, through its Executive Officer, may revise this Order as additional information becomes available. Upon request by the Dischargers, and for good cause shown, the Executive Officer may defer, delete, or extend the date of compliance for any action required of the Dischargers under this Order. The authority of the Central Coast Water Board, as contained in the Water Code, to order investigation and cleanup, in addition to that described herein, is in no way limited by this Order.
13. The Dischargers must continue any remediation or monitoring activities until such time as the Executive Officer determines that sufficient cleanup has been accomplished and this Order has been terminated.
14. **Oversight Costs:** The Dischargers must reimburse the Central Coast Water Board for reasonable costs associated with oversight of the investigation and cleanup of the waste at or emanating from the Site. Provide the Central Coast Water Board with the name or names and contact information for the person to be provided billing statements from the State Water Board.



15. A public participation plan must be prepared and/or updated when directed by the Executive Officer as necessary to reflect the degree of public interest in the investigation and cleanup process.
16. As necessary to ensure compliance with the California Environmental Quality Act, provide information to the Central Coast Water Board as directed by the Executive Officer.
17. The Central Coast Water Board, under the authority given by Water Code section 13267, subdivision (b)(1), requires you to include a perjury statement in all reports submitted under this Order. The perjury statement must be signed by a senior authorized representative (not by a consultant). The perjury statement must be in the following format:

*"I, [NAME], certify under penalty of law that this document and all attachments were prepared by me, or under my direction or supervision, in accordance with a system designed to ensure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."*
18. **GeoTracker:** The State Water Board adopted regulations requiring the electronic submittals of information online using the State Water Board GeoTracker data management system. You are required to comply by uploading all reports required in this Order, correspondence, and soil, soil gas, and groundwater data in electronic deliverable format (EDF) on to the GeoTracker data management system. The State Water Board's Policy Statement-Electronic Reporting Requirements:  
[https://www.waterboards.ca.gov/water\\_issues/programs/ust/electronic\\_submittal/](https://www.waterboards.ca.gov/water_issues/programs/ust/electronic_submittal/)
19. Failure to comply with the terms or conditions of this Order may result in imposition of civil liabilities, imposed either administratively by the Central Coast Water Board or judicially by the Superior Court in accordance with Water Code sections 13268, 13304, and/or 13350 and/or referral to the Attorney General of the State of California.
20. None of the obligations imposed by this Order on the Dischargers are intended to constitute a debt, damage claim, penalty, or other civil action that should be limited or discharged in a bankruptcy proceeding. All obligations are imposed pursuant to the police powers of the State of California intended to protect the public health, safety, welfare, and environment.

21. **Exhibits:** Exhibits 1 through 5 attached hereto, are incorporated as part of this Order.

**Exhibit 1:** SITE MAPS

**Exhibit 2:** SITE OWNERSHIP AND OPERATIONAL HISTORY

**Exhibit 3:** MONITORING AND REPORTING PROGRAM ORDER NO. R3-2023-Proposed

**Exhibit 4:** TIME SCHEDULE

**Exhibit 5:** REGULATORY HISTORY OF SITE

Ordered by:

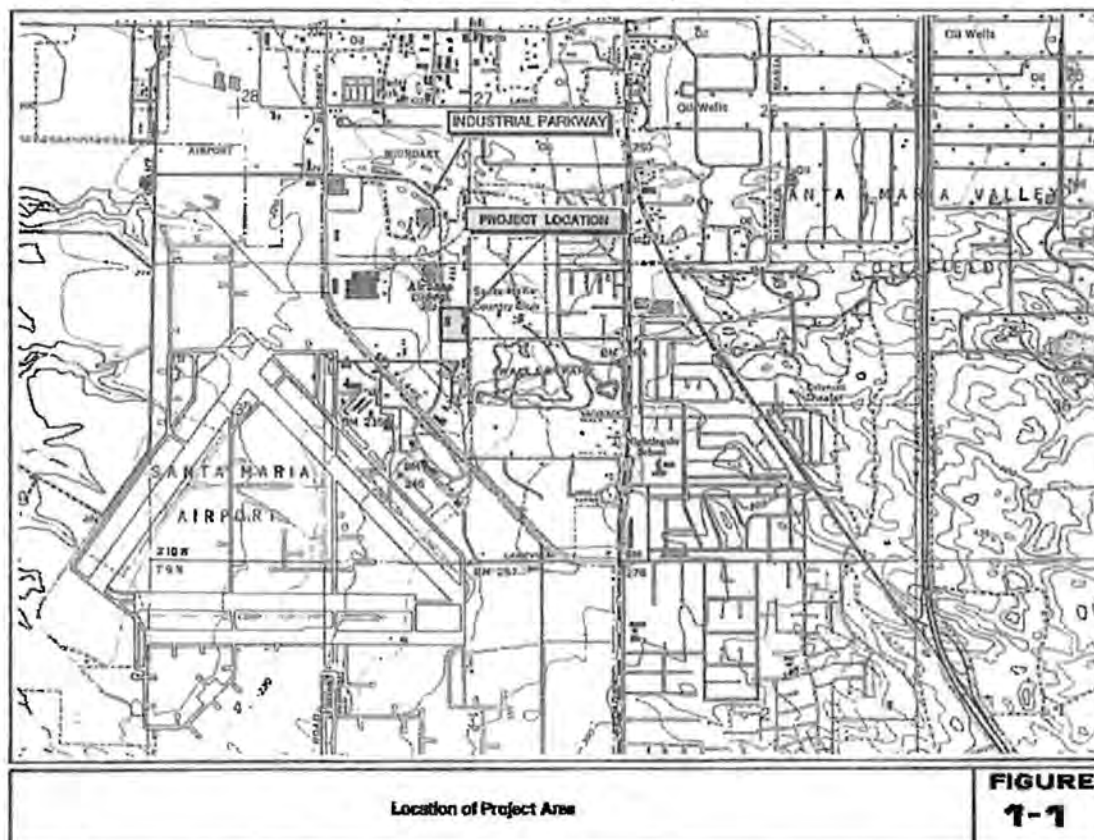
Matthew T. Keeling

Digitally signed by Matthew T. Keeling  
Date: 2023.09.26 09:03:16 -0700

Matthew T. Keeling  
Executive Officer

## EXHIBIT 1: SITE MAPS

Figure 1 – Regional Site Map




 WESTEC Services, Inc.

Figure 1. Modified by Central Coast Water Board on January 13, 2020. Original figure is from WESTEC Services, Inc. January 1989 *Subsurface Investigation SEMCO Twist Drill and Tool Company Facility Santa Maria, California* report on GeoTracker: [https://documents.geotracker.waterboards.ca.gov/regulators/deliverable\\_documents/9896778941/SURFACE\\_INVEST\\_JAN1989.pdf](https://documents.geotracker.waterboards.ca.gov/regulators/deliverable_documents/9896778941/SURFACE_INVEST_JAN1989.pdf)

**Figure 2 – Site Parcel Map**



Figure 2. Satellite imagery from GeoTracker modified by Central Coast Water Board staff on January 11, 2023 (yellow shaded parcels make up the Site that is subject to this Order). Not to scale. Property Transfer History report for SEMCO on GeoTracker: <https://geotracker.waterboards.ca.gov/?url=9iu81>



**Table 1 – Site Parcel Information**

| <b>Map Number</b> | <b>Parcel Address</b>                | <b>APN</b>  | <b>Parcel Owner</b>      | <b>Ownership Transfer Date</b> | <b>Land-Use Description (Parcel Acres)</b> | <b>Parcel's Subject to this Order</b> |
|-------------------|--------------------------------------|-------------|--------------------------|--------------------------------|--|---------------------------------------|
| 1                 | 2916 Industrial Parkway, Santa Maria | 111-291-039 | Curry Parkway LP         | 8/20/2010                      | Industrial (1.00 acres)                    | No                                    |
| 2                 | 2926 Industrial Parkway, Santa Maria | 111-291-038 | Figueroa Salas, Fernando | 7/16/2019                      | Industrial (1.40 acres)                    | Yes                                   |
| 3                 | 2936 Industrial Parkway, Santa Maria | 111-291-037 | Rhine LP                 | 8/17/2010                      | Light Manufacturing (1.60 acres)           | Yes                                   |
| 4                 | 2946 Industrial Parkway, Santa Maria | 111-291-036 | Curry Parkway LP         | 8/20/2010                      | Industrial (1.37 acres)                    | Yes                                   |
| 5                 | 2956 Industrial Parkway, Santa Maria | 111-291-035 | Mark J Powers, Inc.      | 10/28/2021                     | Industrial (1.33 acres)                    | Yes                                   |
| 6                 | 2996 Industrial Parkway, Santa Maria | 111-291-043 | Curry Parkway LP         | 9/1/2011                       | Light Manufacturing (0.76 acres)           | No                                    |
| 7                 | 2986 Industrial Parkway, Santa Maria | 111-291-042 | Curry Parkway LP         | 8/20/2010                      | Light Manufacturing (0.78 acres)           | Yes                                   |
| 8                 | 2976 Industrial Parkway, Santa Maria | 111-291-041 | Curry Parkway LP         | 8/20/2010                      | Light Manufacturing (0.83 acres)           | Yes                                   |
| 9                 | 2966 Industrial Parkway, Santa Maria | 111-291-040 | Curry Parkway LP         | 8/20/2010                      | Light Manufacturing (0.83 acres)           | No                                    |

Figure 3 – Historic Facility Site Map (1989)

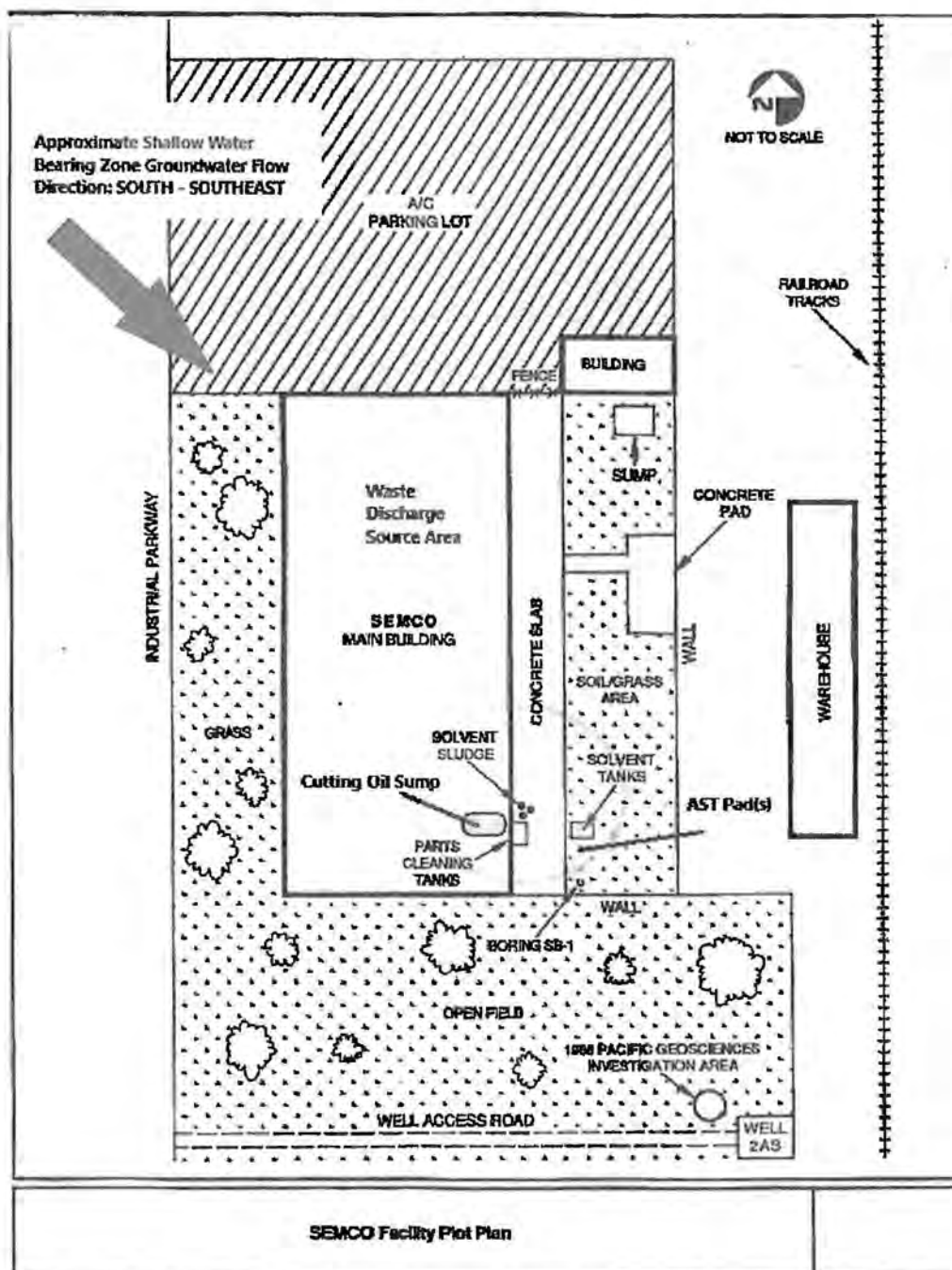


Figure 3. Modified by Central Coast Water Board on February 9, 2023. Original figure is from WESTEC Services, Inc January 1989 *Subsurface Investigation SEMCO Twist Drill and Tool Company Facility Santa Maria, California*.

**Figure 4 – 2021 Groundwater Monitoring Well Location Site Map with Parcel Numbers and Addresses**

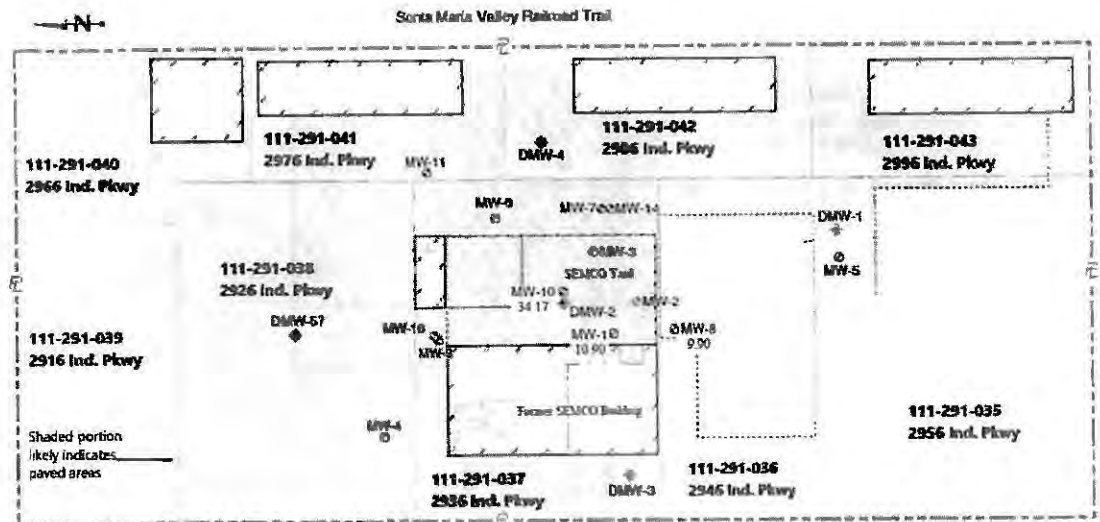


Figure 4. Modified by Central Coast Water Board on January 10, 2023. Original figure is from Analytical Consulting Group, Inc's *Monitoring Well Investigation Report* dated July 16, 2021, on GeoTracker.

Figure 5 – 2022 Soil Sampling Site Map

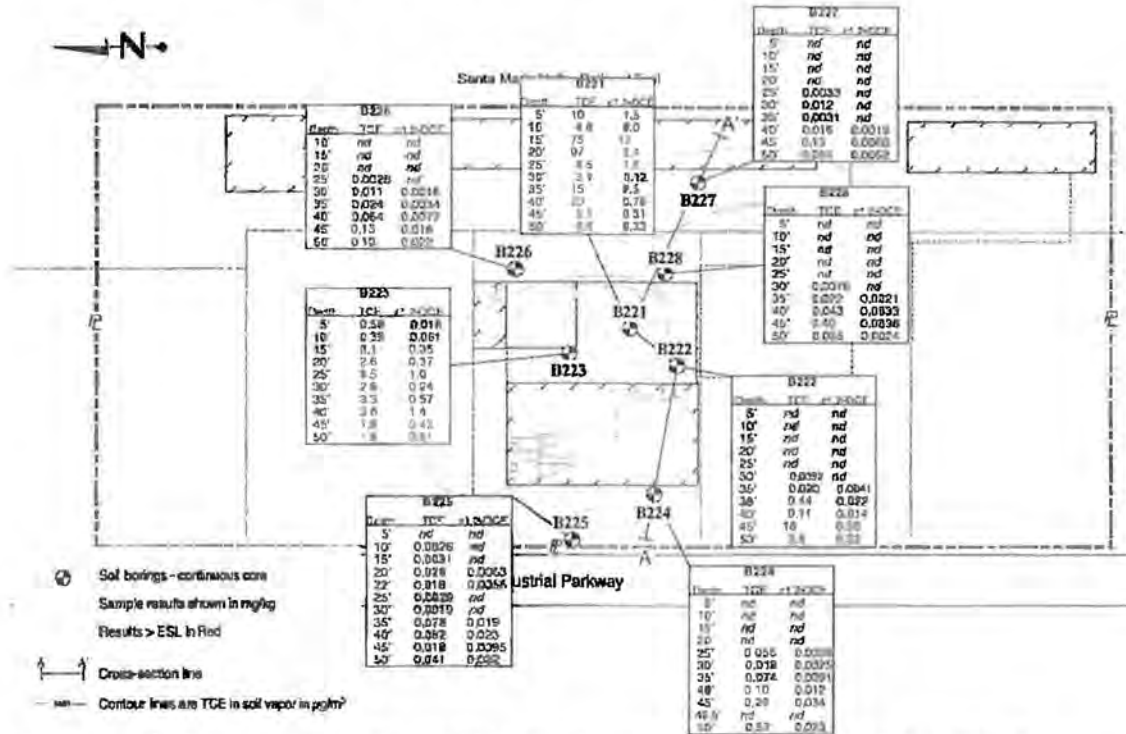


Figure 5. Modified by Central Coast Water Board on January 10, 2023. Original figure is from Analytical Consulting Group, Inc's *Site Assessment Report – Vadose Zone Soil Sampling* dated May 25, 2022.



**Figure 6 – Cross Section (A-A' from Figure 5) Extent of TCE Impacts to Soil beneath the Source Area of the Site**

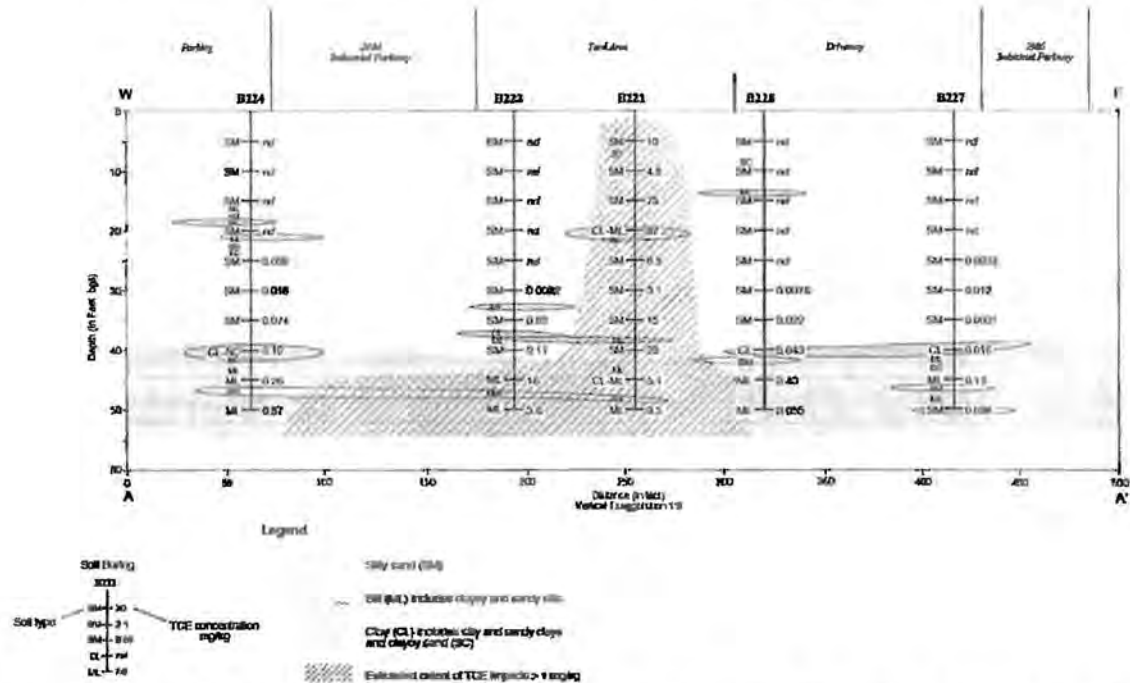
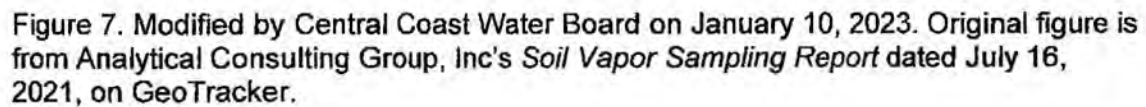


Figure 6. Modified by Central Coast Water Board on January 10, 2023. Original figure is from Analytical Consulting Group, Inc's *Site Assessment Report – Vadose Zone Soil Sampling* dated May 25, 2022.

Santa Maria Valley Railroad Trail



## **EXHIBIT 2: SITE OWNERSHIP AND OPERATIONAL HISTORY**

The Site ownership and operational history<sup>60</sup> for the Santa Barbara County Assessor Parcel Numbers (APNs) that compose the Site is as follows:

### **APN 111-291-008**

1. July 10, 1942: The United States of America records a Decree of Declaration of Taking (eminent domain) for the establishment of the Santa Maria – Lompoc Air Base. Frank Vecente, et al. (grantor, former owner) to United States of America (grantee, new owner).
2. 1949 (approximate, exact date unknown): SEMCO Twist Drill & Tool Company, Inc. (SEMCO) begins operations at the Site.
3. June 9, 1949 (date recorded): United States of America quitclaims deeds to County of Santa Barbara. United States of America (grantor, former owner) to County of Santa Barbara (grantee, new owner).
4. October 6, 1949 (date recorded): The County of Santa Barbara deeds one-half interest of the property to the City of Santa Maria, as tenants in common. County of Santa Barbara (grantor, former owner) to County of Santa Barbara (1/2 interest) and City of Santa Maria (1/2 interest) (grantees, new owners).
5. August 14, 1959 (date recorded): An Instrument of Release was issued, giving Santa Barbara County and the City of Santa Maria exclusive use of property in preparation of the land transfer to Santa Maria Public Airport District.
6. March 15, 1963 (date recorded): A record of survey of the property was filed with the Santa Barbara County Clerk-Recorder that defined the northern boundary of the Santa Maria Public Airport District (future Skyway Industrial Park).
7. March 9, 1964 (date of sale and date recorded): The County of Santa Barbara and the City of Santa Maria quitclaim deeds property to the Santa Maria Public Airport District. County of Santa Barbara (1/2 interest) and City of Santa Maria (1/2 interest) (grantor, former owner) to Santa Maria Public Airport District (grantee, new owner).
8. January 30, 1967 (date filed and certified): The Santa Maria Public Airport District filed a record of survey subdividing the northeasterly portion of the property (boundaries of Skyway Industrial Park).

<sup>60</sup> All Central Coast Water Board files for this case are on the State Water Board's GeoTracker website: <http://geotracker.waterboards.ca.gov/?gid=SLT3S2411351>

9. May 17, 1968 (date accepted and recorded by County Clerk-Recorder): A map of Skyway Industrial Park, Tract 5011, including this Site, was filed with the Santa Barbara County Assessor.
10. May 22, 1968, (date recorded): Santa Maria Public Airport District grant deeds the Site to Henry A. Stafford and Rhea L. Stafford as joint tenants in common. Santa Maria Public Airport District (grantor, former owner) to Henry A. Stafford and Rhea L. Stafford as community property (grantee, new owner).
11. May 18, 1971 (date recorded): Notice of Completion filed with the County of Santa Barbara for the removal of three buildings (T-1271, T-1272, and T-1273) on the property per the purchase agreement dated May 8, 1968.
12. June 25, 1975 (date recorded): Henry A. Stafford and Rhea L. Stafford transferred the Site into the Henry A. Stafford and Rhea Stafford Revocable Trust. Henry A. Stafford and Rhea L. Stafford as community property (grantor, former owner) to Henry A. Stafford and Rhea Stafford Revocable Trust (grantee, new owner).
13. November 15, 1976: Henry A. Stafford died, and Rhea L. Stafford became the sole Trustee of the Henry A. Stafford and Rhea Stafford Revocable Trust.

**APN 111-291-027 and APN 111-291-028**

1. February 3, 1994 (date County Clerk-Recorder's statement recorded): APN 111-291-008 (2936 Industrial Parkway) was split into two adjacent parcels (111-291-027 and 111-291-028).
2. August 22, 1996: Rhea L. Stafford died, and daughter Bonita Stafford became the surviving Trustee of the Henry A. Stafford and Rhea Stafford Revocable Trust. Bonita Stafford has since deceased.
3. November 21, 2001 (date recorded): A deed of trust with assignments of rents to Kitco Holdings, LLC was issued.
4. August 9, 2002 (date recorded) : Grant deed transferred property ownership from Henry A. Stafford and Rhea Stafford Revocable Trust dated June 25, 1975, to Oro Financial of California, Inc. Henry A. Stafford and Rhea Stafford Revocable Trust (grantor, former owner) to Oro Financial of California, Inc. (grantee, new owner).
5. December 20, 2002 (date recorded): Grant deed transferred property ownership from Oro Financial of California, Inc. (grantor, former owner) to Concha Investments, Inc. (grantee, new owner).
6. June 30, 2006 (date recorded): Grant deed transferred property ownership from Concha Investments, Inc. (grantor, former owner) to Chris Mathys (grantee, new owner) as an individual.



**APNs 111-291-035 through 111-291-043**

1. April 26, 2007 (date County Clerk-Recorder's Statement recorded): Parcels 111-291-027 and 111-291-028 were combined and split into parcels 111-291-035 through 111-291-043 (refer to Exhibit 1, Figure 2 for a spatial view of the splits). Parcel -039 is unique from -028; parcels sharing portions of -027 and -028 include -037, -038, -040, and -042; parcels unique from -027 include -035, -036, and -043.
2. May 5, 2009 (date recorded): Chris Mathys (seller) sold the properties at 2916, 2926, 2936, 2946, 2956, 2966, 2976, 2986, and 2996 Industrial Parkway (111-291-039, -038, -037, -036, -035, -040, -041, -042, and -043) to Platino, LLC (buyer)<sup>61</sup> in grant deeds/deed of trust sales.
3. August 17, 2010 (date recorded): Platino LLC (seller) sold the property at 2936 Industrial Parkway (111-291-037) to Rhine LP (buyer)<sup>62</sup> in a grant deed/deed of trust sale.
4. August 20, 2010 (date recorded): Platino, LLC (seller) sold the properties at 2916, 2926, 2946, 2956, 2986, and 2996 Industrial Parkway (111-291-039, -038, -036, -035, -042, and -043) to Curry Parkway LP (buyer)<sup>63</sup> in a grant deed/deed of trust sale.
5. July 26, 2010 (date of transaction): Platino, LLC (seller) sold the properties at 2966 and 2976 Industrial Parkway (111-291-040 and 111-291-041) to Curry Parkway LP (buyer) in a grant deed/deed of trust sale.
6. July 16, 2019 (date recorded): Curry Parkway LP (seller) sold the property at 2926 Industrial Parkway (APN 111-291-038) to Fernando Figueroa Salas, a married man, in a grant deed/deed of trust sale. Except as otherwise provided by statute, all property, real or personal, wherever situated, acquired by a married person during the marriage while domiciled in this state is community property in California (Stats. 1992, Ch. 162, Sec. 10. Operative January 1, 1994). Yolanda Salas, as the wife of Fernando Figueroa Salas, became a joint owner of 2926 Industrial Parkway.
7. July 16, 2019 (date recorded): In a quitclaim/deed of trust, Yolanda Salas transferred the property to Fernando Figueroa Salas, making him the sole property owner. Yolanda Salas is not named as a discharger in this Order because she quitclaimed the property on the same date that Fernando Figueroa Salas acquired ownership

<sup>61</sup> Chris Mathys was the sole manager of Platino, LLC.

<sup>62</sup> Platino, Inc. is the general partner of Rhine, LP. Chris Mathys is the Chief Executive Officer, Chief Financial Officer, Director, and sole shareholder of Platino, Inc.

<sup>63</sup> Platino, Inc. is the general partner of Curry Parkway, LP. Chris Mathys is the Chief Executive Officer, Chief Financial Officer, Director, and sole shareholder of Platino, Inc.

8. October 28, 2021 (date recorded): Curry Parkway LP (seller) sold the property at 2956 Industrial Parkway (APN 111-291-035) to Mark J Powers, Inc. (buyer) in a grant deed/deed of trust sale.

**EXHIBIT 3:**

**MONITORING AND REPORTING PROGRAM ORDER NO. R3-2023-0071**

**CONCERNING**

**Former SEMCO Twist Drill and Tool Company, Inc.  
Industrial Parkway, Santa Maria  
Santa Barbara County**

This monitoring and reporting program (MRP) is issued to the Dischargers and applies to groundwater monitoring and reporting for volatile organic compounds (VOC), petroleum hydrocarbons, and 1,4-dioxane waste discharges related to the former SEMCO at 2936 Industrial Parkway in Santa Maria (Site). The Site includes all subject subdivisions of the historic Santa Barbara County Assessor's Parcel Number (APN) 111-291-008 impacted by VOCs, petroleum hydrocarbons, and/or 1,4-dioxane, which include the following parcels:

1. APN 111-291-035, 2956 Industrial Parkway, Santa Maria
2. APN 111-291-036, 2946 Industrial Parkway, Santa Maria
3. APN 111-291-037, 2936 Industrial Parkway, Santa Maria
4. APN 111-291-038, 2926 Industrial Parkway, Santa Maria
5. APN 111-291-041, 2976 Industrial Parkway, Santa Maria
6. APN 111-291-042, 2986 Industrial Parkway, Santa Maria

The Dischargers specified in Cleanup and Abatement Order No. R3-2023-0070 are required to comply with the requirements of this MRP.

**GROUNDWATER MONITORING**

A qualified person trained in procedures for collecting samples for VOCs, petroleum hydrocarbons, and 1,4-dioxane wastes must collect representative samples of groundwater from the monitoring wells.

The Dischargers must monitor all existing groundwater monitoring wells (shallow groundwater wells MW1 through MW16 and deeper groundwater monitoring wells DMW1 through DMW4) and/or replacement wells on a quarterly basis. The Dischargers must submit requests for changes to monitoring frequency and analyte analysis in writing for Central Coast Water Board staff review and Central Coast Water Board Executive Officer concurrence. These requests must receive Executive Officer concurrence prior to implementation.

When new monitoring wells are installed, the Dischargers must incorporate newly installed monitoring wells immediately into the sampling schedule following well completion and development activities and then sample once every quarter for a minimum of one year. After one year, the Dischargers may propose an appropriate monitoring schedule for concurrence by the Executive Officer. The location and

reference point elevation for each monitoring well must be surveyed using a conventional survey method or global positioning satellite survey and uploaded to the GeoTracker website.

**Monitoring Parameters:** The Dischargers must measure depth to groundwater (to 0.01-foot accuracy) in each monitoring well prior to proper purging and sampling. Before sampling, the Dischargers must properly purge each well until measurements of the following parameters have stabilized: temperature, pH, specific conductance, turbidity, and dissolved oxygen. After purging and when the groundwater level in the well has recovered sufficiently, collect a representative sample. The Dischargers must collect a groundwater sample from each well. The Dischargers must analyze groundwater samples collected from all monitoring wells for the compounds listed in Table 1:

Table 1. Monitoring Parameters

| Compound                             | Units                       | Sample Type | USEPA Method   | Detection Limit |
|--------------------------------------|-----------------------------|-------------|--|-----------------|
| Volatile Organic Compounds (VOCs)    | Micrograms per liter (µg/L) | Grab        | 8260B  | 0.5 µg/L        |
| 1,4-dioxane                          | (µg/L)                      | Grab        | 8270 or 1625   | 1.0 µg/L        |
| Petroleum hydrocarbons <sup>64</sup> | (µg/L)                      | Grab        | 8015-modified, total petroleum hydrocarbons (TPH) reported as gasoline <sup>65</sup> , diesel, and motor oil | 100 µg/L        |

A laboratory certified for analyses by the State Water Board's Division of Drinking Water or laboratories approved by the Executive Officer must conduct the analyses.

Unless otherwise noted, the Dischargers must perform all sampling, sample preservation, and analyses in accordance with the latest edition of Test Methods for Evaluating Solid Waste, SW-846, USEPA, and analyzed as specified herein by the above analytical methods.

Alternative laboratory methods may be used, with Executive Officer's prior concurrence, provided that the analysis produces data with detection limits, precision, and accuracy equal to or better than data produced by the referenced methods for identical sample matrices.

The Dischargers must measure groundwater elevations for all monitoring wells. Measurements for groundwater elevations are to be reported as both feet below top of casing and elevation above mean sea level.

<sup>64</sup> TPH in the carbon ranges are analyzed to demonstrate carbon chain breakdown.

<sup>65</sup> TPH carbon ranges are generally as follows: TPH as gasoline (C4-C12), TPH as diesel (C10-C23), and TPH as motor oil (C18-C35+).



### **SAMPLING FREQUENCY**

The Dischargers must conduct groundwater monitoring on a quarterly basis and in accordance with Table 2 each calendar year:

**Table 2. Monitoring Frequency**

| Groundwater Monitoring Wells            | Frequency  |
|---|--|
| MW1 through MW16, and DMW1 through DMW4 | 1 <sup>st</sup> quarter (January through March) of each calendar year    |
| MW1 through MW16, and DMW1 through DMW4 | 2 <sup>nd</sup> quarter (April through June) of each calendar year       |
| MW1 through MW16, and DMW1 through DMW4 | 3 <sup>rd</sup> quarter (July through September) of each calendar year   |
| MW1 through MW16, and DMW1 through DMW4 | 4 <sup>th</sup> quarter (October through December) of each calendar year |

### **REPORTING**

The Dischargers must submit groundwater monitoring reports on a quarterly basis in accordance with Table 3:

**Table 3. Reporting Submittals**

| Sampling Event          | Report Submittal                                   |
|-------------------------|--|
| 1 <sup>st</sup> quarter | Due no later than April 30 of each calendar year   |
| 2 <sup>nd</sup> quarter | Due no later than July 30 of each calendar year    |
| 3 <sup>rd</sup> quarter | Due no later than October 30 each calendar year    |
| 4 <sup>th</sup> quarter | Due no later than January 30 of each calendar year |

At a minimum, each monitoring report must include:

1. A table with well completion information, including top of well casing elevation, total depth, and screen interval with respect to both mean seal level and ground surface for all monitoring wells.
2. Results of field and laboratory sampling in tabular form.
3. Scaled maps showing the site and the locations of all monitoring wells.
4. Maps showing calculated potentiometric elevations at each monitoring well and interpreted potentiometric surfaces for each water-bearing zone.
5. Maps showing chlorinated VOCs and 1,4-dioxane concentrations and an interpretation of the chemical distribution.
6. An elevation and interpretations of all available data.
7. Recommendations for further work (i.e., identification of possible data gaps, interim corrective actions) as necessary to complete investigation and cleanup of the Site.

8. The signature or stamp of a registered professional with applicable experience attesting, under penalty of perjury, that the report is true and accurate.
9. Sampling protocols and field sampling logs.
10. Narrative description of sample collection protocols and summary of analytical results for any and all detected compounds; and
11. Certified laboratory analytical reports and chain of custody records for current monitoring data.
12. A perjury statement<sup>66</sup> signed by a senior authorized representative (not by a consultant). The perjury statement must be in the following format:

*"I, [NAME], certify under penalty of law that this document and all attachments were prepared by me, or under my direction or supervision, in accordance with a system designed to ensure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."*

If the Dischargers conduct any monitoring or sampling more frequently than is required by this MRP, they must include results of such monitoring in the monitoring reports or via separate cover.

In accordance with title 23, division 3, chapter 30, articles 1 and 2, sections 3890 through 3895 of the California Code of Regulations, the Dischargers must submit monitoring reports and associated data in Portable Data Format and Electronic Deliverable Format to the State Water Board GeoTracker database over the internet. Please refer to the State Water Board web page Policy Statement-Electronic Reporting Requirements.

[https://www.waterboards.ca.gov/water\\_issues/programs/ust/electronic\\_submittal/](https://www.waterboards.ca.gov/water_issues/programs/ust/electronic_submittal/)

#### **LEGAL REQUIREMENTS**

The groundwater monitoring reports and GeoTracker data submittals are required pursuant to section 13267 of the Water Code. Pursuant to section 13268 of the Water Code, a violation of a request made pursuant to section 13267 may subject you to civil liability assessment of up to \$1,000 per day in which the violation occurs.

The Central Coast Water Board needs the required information to evaluate the extent and trends of wastes, including VOCs (e.g., TCE, PCE, TCA), petroleum hydrocarbons, and 1,4-dioxane released from the Site into groundwater. Therefore, the burden of the reports, including costs, bears a reasonable relationship to the need for the reports and the benefits to be obtained from the reports. The cost to sample and prepare each

<sup>66</sup> The Central Coast Water Board, under the authority given by Water Code section 13267, subdivision (b)(1), requires you to include a perjury statement in all reports submitted under this Order.

quarterly monitoring report is estimated to be between approximately \$15,000 to \$20,000.<sup>67</sup> The Dischargers are required to submit quarterly monitoring reports because groundwater has been impacted by VOCs, petroleum hydrocarbons, and 1,4-dioxane and is potentially migrating off of the site and, based on the available data, they are responsible for the discharge. The evidence supporting this requirement is described herein and on GeoTracker at: <http://geotracker.waterboards.ca.gov/?gid=SLT3S2411351>

Any person affected by this action of the Central Coast Water Board may petition the State Water Board to review the action in accordance with section 13320 of the Water Code and title 23, California Code of Regulations, section 2050. The petition must be received by the State Water Board, Office of Chief Counsel, P. O. Box 100 Sacramento, 95812 within 30 days of the date of this order.

Copies of the law and regulations applicable to filing petitions:

[https://www.waterboards.ca.gov/public\\_notices/petitions/water\\_quality/](https://www.waterboards.ca.gov/public_notices/petitions/water_quality/)

The Executive Officer may rescind or revise this MRP at any time.

Ordered by:

Matthew T. Keeling

Digitally signed by Matthew T.  
Keeling  
Date: 2023.09.26 09:03:55 -07'00'

Matthew T. Keeling  
Executive Officer

<sup>67</sup> Estimate for quarterly monitoring report costs are part of the total estimated cost in Section B.9 of the Order. Estimated cost is based on using low-flow groundwater sampling techniques.

**EXHIBIT 4: TIME SCHEDULE**

| ACTION<br>NUMBER | REQUIREMENT   | DUE DATE  |
|------------------|---|---|
| 1.               | <b>Evaluate Condition of and Restore the Existing Groundwater Monitoring Network and Evaluate the Condition of the Onsite Groundwater Extraction and Treatment System</b>   |   |
| 1a-1b.           | <b>Submit Workplan(s)</b><br>A workplan and implementation schedule to assess the existing groundwater monitoring network and the current condition of the onsite groundwater extraction and treatment system (i.e., extraction wells, and filtration system).<br><br>The Dischargers must locate all 20 groundwater monitoring wells including extraction wells associated with the groundwater extraction and treatment system and evaluate the integrity of each well and determine if these wells can be used (or not) for groundwater monitoring. In the event, monitoring wells can't be located, describe the efforts that were taken to find the wells. | 90 days following the issuance of this Order                      |
| 1c.              | Upon Executive Officer concurrence of the workplan, implement the workplan according to the approved implementation schedule.   | As directed by the Executive Officer                              |
| 1d.              | <b>Submit a Completion Report for the Evaluation of the Groundwater Monitoring Network and Treatment System and a Monitoring Well Network Restoration Workplan</b><br>A completion report summarizing the findings of the monitoring well and groundwater treatment system evaluation.<br><br>A groundwater monitoring well network restoration workplan and implementation schedule including a scope of work to restore, properly destroy and/or replace (install) groundwater monitoring wells in the existing monitoring network.   | 90 days following the approval of the workplan required in 1a-1b. |



| ACTION NUMBER | REQUIREMENT  | DUE DATE  |
|---------------|--|---|
| 1e.           | Upon Executive Officer concurrence of the scope of work and schedule included in the monitoring well network restoration workplan, implement the workplan according to the approved implementation schedule.   | As directed by the Executive Officer                                    |
| 1f.           | <b>Submit a Completion Report Summarizing the Implementation of the Groundwater Monitoring Well Restoration Workplan</b><br>A completion report on the implementation of the groundwater monitoring well network restoration including destruction and installation activities, well completion logs, updated map(s) illustrating all of the monitoring well locations.        | As directed by the Executive Officer                                    |
| 2.            | <b>Groundwater Monitoring</b>  |   |
|               | The Dischargers must conduct groundwater monitoring according to MRP Order No. R3-2023-00071 (Exhibit 3 of this Order).  | As directed by the Executive Officer                                    |
| 3.            | <b>Complete Onsite and Offsite Investigation</b>   |   |
| 3a-3c.        | <b>Submit an Onsite and Offsite Investigation Workplan</b><br><br>An onsite and offsite investigation workplan including an implementation schedule to delineate the lateral and vertical extent of wastes in soil, groundwater, and soil gas onsite and offsite including a scope of work for the installation of additional groundwater monitoring wells onsite and offsite. | 90 days following the approval of the Completion Report required in 1f. |
| 3d.           | Upon Executive Officer concurrence of the site investigation workplan, implement the workplan according to the approved implementation schedule.   | As directed by the Executive Officer                                    |
| 3e.           | <b>Submit a Site Investigation Report</b><br>A summary of the investigation findings, including Site location and waste distribution maps, cross sections, summary of all historic and new sampling results for soil, soil gas, and groundwater, boring logs, and identification of data gaps for further investigation.   | As directed by the Executive Officer                                    |

| ACTION NUMBER | REQUIREMENT  | DUE DATE  |
|---------------|--|---|
| 3f.           | <b>Submit Additional Workplan(s) to Address Data Gaps</b><br>Completion of the onsite and offsite investigation may be conducted in a phased approach if information in the site investigation report(s) identifies data gaps.           | As directed by the Executive Officer  |
| 4.            | <b>Conduct Onsite and Offsite Remedial Actions</b>   |   |
| 4a.           | <b>Submit a Feasibility Study.</b><br>A study that evaluates alternatives for cleanup of VOCs, petroleum hydrocarbons, and 1,4-dioxane wastes in soil, soil gas, and groundwater on and off the Site.                                    | As directed by the Executive Officer  |
| 4b.           | <b>Submit a remedial action plan (RAP)</b><br>A RAP for cleaning up wastes in soil, soil gas, and groundwater on and off the site, including an implementation schedule and a performance monitoring plan to track remediation progress. | <b>90 days following the approval of the Feasibility Study required in 4a</b> |
| 4c.           | Upon Executive Officer concurrence of the RAP, implement the RAP according to the approved implementation schedule   | As directed by the Executive Officer  |
| 4d.           | <b>Submit Quarterly Remediation Progress Reports</b><br>Reports summarizing remedial actions after RAP implementation. Remediation progress reports can be included in the groundwater monitoring reports required by the MRP.           | As directed by the Executive Officer  |
| 4e.           | Submit revisions or additional RAPs as needed for additional cleanup activities or for a phased approach to cleanup.   | As directed by the Executive Officer  |

### EXHIBIT 5: REGULATORY HISTORY OF SITE

1. On August 26, 1985, the County of Santa Barbara Health Care Services issued an NOV to SEMCO for the discharge of TCE polluting City of Santa Maria municipal supply well 2AS adjacent to the Site.
2. The Central Coast Water Board issued several CAOs between 1987 and 1994, all requiring SEMCO, and later SEMCO and the Henry A. Stafford and Rhea Stafford Revocable Trust,<sup>68</sup> to investigate and remediate wastes discharged to soil and groundwater beneath the Site. Failure to meet CAO time schedules and other requirements led the Central Coast Water Board to issue NOVs, non-compliance letters, and Stipulated Order No. 89-155 (dated November 17, 1989) requiring SEMCO to pay an administrative civil liability of \$50,000. SEMCO began claiming financial difficulties in 1992, and the Central Coast Water Board required a review of their financial status. In response to the financial investigation of SEMCO, CAO No. 90-88 was revised on March 11, 1994, and issued to SEMCO and Henry A. and Rhea Stafford Revocable Trust. On May 6, 1994, the Central Coast Water Board issued a letter to then landowner, Henry A. and Rhea Stafford Revocable Trust, requiring a financial review and the Central Coast Water Board records do not indicate whether the financial review was completed, but DTSC's issuance of an Imminent and Substantial Endangerment Determination in 1994 and their subsequent funding of the groundwater extraction and treatment system repairs and temporary operation occurred shortly thereafter.
3. In December 2000, the Central Coast Water Board issued a letter<sup>69</sup> requesting Henry A. Stafford continue operation of the groundwater extraction and treatment system and continue submitting the semiannual groundwater monitoring reports. Central Coast Water Board staff did not identify records in the file that indicate whether there was compliance from Henry A. Stafford related to the request, and ownership of the Site changed soon after the December 2000 letter was issued.
4. In 2001, the Site owner, Henry A. and Rhea Stafford Revocable Trust transferred ownership of the Site to another property owner (refer to Exhibit 2 for a detailed history on the Site's ownership changes). Subsequently, under the new ownership,<sup>70</sup> all Site investigation and remediation efforts stopped in 2001, with the exception of one groundwater monitoring event performed in 2003 as summarized in a report submitted in 2004.<sup>71</sup>
5. On July 18, 2003, the Central Coast Water Board issued a Water Code section 13267 order (2003 Order) to the then Site owner, Oro Financial of California, Inc.

<sup>68</sup> A complete list of CAOs and other orders the Central Coast Water Board issued to SEMCO and the Henry A. Stafford and Rhea Stafford Revocable Trust, from 1987 to 1994, is available on GeoTracker.

<sup>69</sup> December 1, 2000, letter from the Central Coast Water Board on GeoTracker:  
<https://geotracker.waterboards.ca.gov/?surl=7weqj>

<sup>70</sup> Property ownership details are included in Exhibit 2 of this Order.

<sup>71</sup> 2003 Third Quarter Monitoring Report on GeoTracker:  
<https://geotracker.waterboards.ca.gov/?surl=ntubt>

(attention Chris Mathys), requiring the submittal of a groundwater monitoring report to determine the environmental threat from pollution remaining at the Site.

6. On December 3, 2003, the Central Coast Water Board issued an NOV for Oro Financial of California, Inc.'s failure to submit a final monitoring report as required in the 2003 Order.
7. From 2003 through 2014, the Site owners submitted correspondence in response to Central Coast Water Board's Annual Cost Recovery letters (2003 to 2011) and staff's numerous email and verbal inquiries<sup>72</sup> on project status, claiming financial hardship and an inability to fund any additional expenses related to the Site<sup>73</sup>. Due to an inability to charge cost recovery for staff oversight of this case and due to changes in staffing resources, it was considered an inactive case<sup>74</sup>.
8. On October 20, 2015, the Central Coast Water Board issued a Water Code section 13267 order (2015 Order) to the Site owners Rhine, LP; Platino, LLC; Chris Mathys; Concha Investments Inc.; and Oro Financial of California, Inc. requiring them to submit a workplan proposing additional investigations to evaluate the current extent of wastes discharged to soil, soil gas, and groundwater. The 2015 Order also included information on applying for Site Cleanup Subaccount Program (SCAP) funding.<sup>75</sup>
9. On November 19, 2015, Chris Mathys, on behalf of Site owner Rhine, LP, sent a certified letter to the State Water Board and Central Coast Water Board petitioning the 2015 Order, disputing "any and all charges of environmental waste and [to] give you [Central Coast Water Board] an accurate picture of our financial situation and capabilities."
10. On January 12, 2016, the State Water Board issued a notification of incomplete petition to Chris Mathys, requesting additional information to complete the petition filed in November 2015. Chris Mathys did not submit additional information, as requested by the State Water Board.
11. On June 17, 2019, the Central Coast Water Board issued a notice of violation to Rhine, LP; Platino, LLC; Chris Mathys; Concha Investments Inc.; and Oro Financial of California, Inc. for failing to submit a site investigation workplan as required in the 2015 Order and provided Rhine, LP; Platino, LLC; Chris Mathys; Concha

<sup>72</sup> October 21, 2010, Central Coast Water Board email on GeoTracker:

<https://geotracker.waterboards.ca.gov/?surl=9hxqd> and the January 6, 2014, Case Status Summary on GeoTracker: <https://geotracker.waterboards.ca.gov/?surl=3f5ex>

<sup>73</sup> Referenced from the Dischargers' letters dated July 27, 2004, August 25, 2007, August 5, 2008, September 5, 2009, December 1, 2010, March 1, 2011, verbal communication on January 28, 2014, and petitions dated November 19, 2015, and June 19, 2019, available on GeoTracker.

<sup>74</sup> Between 2003 and 2011 cost recovery invoices billed to the responsible party (Oro Financial of California, Inc.) totaling \$22,953.30 went unpaid. The cost recovery account was closed in 2017, and discharged through the State Controller's Office as 'unable to collect.'



Investments Inc.; and Oro Financial of California, Inc. an opportunity to submit the workplan no later than July 15, 2019, before recommending enforcement action.

12. On June 19, 2019, Chris Mathys objected to the June 17, 2019, NOV in a letter to the State Water Board and Central Coast Water Board.
13. On June 25, 2019, the State Water Board issued a response to Mr. Mathys's June 19, 2019, letter determining that the petition filed on November 19, 2015, was incomplete, that Chris Mathys had failed to submit required information by the deadline directed in its January 12, 2016, letter, and that it would not, therefore, take any further action on the incomplete petition.
14. On September 14, 2021, the Central Coast Water Board issued Administrative Civil Liability Complaint No. R3-2021-0097 (2021 Complaint) to Chris Mathys, Rhine LP, and Oro Financial of California, Inc. The 2021 Complaint proposed an administrative civil liability of one hundred twenty-five thousand eight hundred and ninety-three dollars (\$125,893) for failure to submit monitoring and technical reports as required by the 2015 Order.
15. On January 20, 2022, the Central Coast Water Board issued stipulated Administrative Civil Liability Order No. R3-2022-0013 to Chris Mathys, Rhine LP, and Oro Financial of California, Inc., adopting the settlement agreement to resolve the violation alleged in the 2021 Complaint and imposing an administrative civil liability of one hundred twenty-five thousand eight hundred and ninety-three dollars (\$125,893).
16. On July 28, 2022, the Central Coast Water Board ordered Chris Mathys, Rhine LP, and Oro financial of California, Inc. to submit a Time Schedule and monthly progress reports related to investigations at the Site, pursuant to a Water Code section 13267 Order (2022 Order). The Central Coast Water Board required the submittal of the Time Schedule and progress reports to ensure that remaining Site characterization activities proposed in the Central Coast Water Board approved November 18, 2021, *Site Assessment Workplan*<sup>76</sup> were completed within a reasonable timeframe. To date, the 2022 Order has not been complied with.
17. On November 1, 2022, the Central Coast Water Board issued an NOV (November NOV) to Chris Mathys, Rhine LP, and Oro Financial of California, Inc. for failing to submit a Time Schedule, or the monthly progress reports required for September and October 2022, as required in the 2022 Order.
18. On January 12, 2023, the Central Coast Water Board issued an NOV to Chris Mathys, Rhine LP, and Oro Financial of California, Inc. for failing to submit a Time Schedule, or monthly progress reports for November and December 2022 as required in the 2022 Order.